

DHARMESH PARIKH & CO.

CHARTERED ACCOUNTANTS

303/304, "Milestone", Nr. Drive-in-Cinema, Opp. T. V Tower, Thaltej,
Ahmedabad-380 054. Phone: 91-79-27474466 Fax: 91-79-27479955

INDEPENDENT AUDITOR'S REPORT

To the Members of ADANI SHIPPING (INDIA) PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Adani Shipping (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the 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 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under.

We conducted our audit in accordance with the Standards on Auditing 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 the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

Emphasis of Matter

We draw attention to Note No. 20 of the Financial Statements wherein the company has a negative net worth and negative net current assets. However, the accompanying financial statements have been prepared under the going concern assumption considering the continuing financial support from the parent company.

Our opinion is not modified in respect of this matter.



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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March 2016 and its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of 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 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) The going concern matter described in the Emphasis of matter paragraph above, in our opinion, may have an adverse impact on the functioning of the company.
 - f) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
 - h) 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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Ahmedabad
Date : 28/04/2016



For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

D. A. Parikh
Partner
Membership No. 045501

DHARMESH PARIKH & CO.

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ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT RE: ADANI SHIPPING (INDIA) PRIVATE LIMITED

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The same are in the process of being updated;
- b) According to the information and explanations given to us, the Company has a program of physically verifying its fixed assets in a phased manner designed to cover all assets, which in our opinion is reasonable having regard to the size of the company and the nature of its business. Accordingly during the year the management had carried out physical verification for some of its assets and no material discrepancies were noticed on such verification.
- c) The company does not have any Immovable Properties. Accordingly, the provisions of paragraph 3 (i) (c) of the Order are not applicable
- (ii) The Company is deal in service industries and does not hold any inventories. Accordingly the provision of paragraph 3 (ii) of the order are not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3 (iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) According to the information and explanation given to us, the maintenance of cost records under section 148(1) of the Act as prescribed by the Central Government is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the statutory dues payable by company including income tax, provident fund, employees' state insurance fund, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of any duty of excise, custom, sales tax, service tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, provident fund, employees' state insurance fund, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.



DHARMESH PARIKH & CO.

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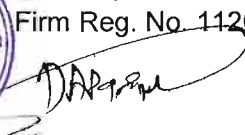
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- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures. Accordingly the provisions of paragraph 3 (viii) of the Order are not applicable.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the company, or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/provided. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in financial statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place : Ahmedabad
Date : 28/04/2016



For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W


D. A. Partner
Partner
Membership No. 045501

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ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT RE: ADANI SHIPPING (INDIA) PRIVATE LIMITED

Referred to in paragraph 2(g) of the Independent Auditor's Report of even date to the members of Adani Shipping (INDIA) Private Limited on the financial statement for the year ended March 31, 2016.

Report on the Internal Financial Controls under Clause i of sub-section 3 of section 143 of the Companies Act 2013 (the act).

We have audited the internal financial controls over financial reporting of the Adani Shipping (India) Private Limited (the company) as of 31st March, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibilities 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 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

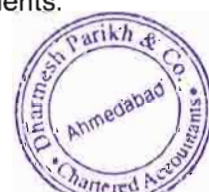
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed 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 judgment, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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



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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.

Place : Ahmedabad
Date : 28/04/2016



For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

A handwritten signature in black ink, appearing to read "D. A. Parikh", written over a horizontal line.

D. A. Parikh
Partner
Membership No. 045501

ADANI SHIPPING (INDIA) PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2016

	PARTICULARS	NOTES	AS AT 31st March 2016		AS AT 31st March 2015	
			RUPEES	RUPEES	RUPEES	RUPEES
A	<u>EQUITY AND LIABILITIES</u>					
I	<u>SHAREHOLDERS' FUND</u>					
	(a) Share Capital	3	5,00,000		5,00,000	
	(b) Reserves & Surplus	4	(48,37,455)	(43,37,455)	(47,10,957)	(42,10,957)
II	<u>NON CURRENT LIABILITIES</u>					
	(a) Long-term Provisions	5		21,68,670		19,10,752
III	<u>CURRENT LIABILITIES</u>					
	(a) Trade Payables	6	1,25,32,465		76,94,854	
	(b) Other Current Liabilities	7	9,06,841		5,31,267	
	(c) Short-term Provisions	8	13,44,280	1,47,83,586	6,32,732	88,58,854
	TOTAL			1,26,14,801		65,58,649
B	<u>ASSETS</u>					
I	<u>NON CURRENT ASSETS</u>					
	(a) Fixed Assets	9				
	(i) Tangible Assets		3,16,896		2,16,573	
	(ii) Intangible Assets		1,93,127		3,24,061	
			5,10,023		5,40,634	
	(b) Deferred Tax Assets (Net)	10	22,95,911		18,56,089	
	(c) Long-term Loans and Advances	11	3,19,964	31,25,898	3,19,964	27,16,687
II	<u>CURRENT ASSETS</u>					
	(a) Trade receivables	12	10,61,548		3,09,208	
	(b) Cash and Cash Equivalents	13	83,33,983		35,17,503	
	(c) Short-term loans and advances	14	93,372		15,251	
				94,88,903		38,41,962
	TOTAL			1,26,14,801		65,58,649
	Summary of significant accounting policies	2				

The accompanying notes forming part of the financial statements

As per attached our report of even date

For DHARMESH PARIKH & CO.

Chartered Accountants

Firm Reg No : 112054W



For and on behalf of the board of directors of

ADANI SHIPPING (INDIA) PRIVATE LIMITED

Jatinkumar Jalundhwala

Director

DIN: 00137888

Kaushal Shah

Director

DIN: 06898439

Place : Ahmedabad

Date : 28th April, 2016

D.A. PARIKH

Partner

(Membership No.045501)

Place : Ahmedabad

Date : 28th April, 2016

ADANI SHIPPING (INDIA) PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

	PARTICULARS	Notes	For the year ended 31/03/2016		For the year ended 31/03/2015	
			RUPEES	RUPEES	RUPEES	RUPEES
I	INCOME					
	Revenue from operations	15		3,13,52,640		2,93,05,668
	Other Income	16		1,14,554		38,829
II	Total Income			3,14,67,194		2,93,44,497
III	EXPENSES					
a.	Employee Benefit Expenses	17		2,60,71,582		2,38,23,226
b.	Finance Costs	18		1,621		59,110
c.	Depreciation and Amortization Expense	9		2,99,795		3,02,619
d.	Other Expenses	19		56,60,514		92,11,721
IV	Total Expenses			3,20,33,512		3,33,96,676
V	Profit /(Loss) for the year before tax (II- IV)			(5,66,318)		(40,52,179)
VI	TAX EXPENSES					
	- Current Tax					
	- Deferred Tax		(4,39,820)	(4,39,820)	(13,67,329)	(13,67,329)
VII	Profit / (Loss) after taxation			(1,26,498)		(26,84,850)
VII	Earnings per equity share: of Rs. 10/- each (in Rs.)	22				
	Basic & Diluted			(2.53)		(53.70)
	Summary of significant accounting policies	2				

The accompanying notes forming part of the financial statements

As per attached our report of even date
For DHARMESH PARIKH & CO.
Chartered Accountants
Firm Reg No : 112054W

For and on behalf of the board of directors of
ADANI SHIPPING (INDIA) PRIVATE LIMITED



D.A. PARIKH
Partner
(Membership No.045501)
Place : Ahmedabad
Date : 28th April,2016

Jatinkumar Jalundhwala
Jatinkumar Jalundhwala
Director
DIN: 00137888

Kaushal Shah
Kaushal Shah
Director
DIN: 06898439
Place : Ahmedabad
Date : 28th April,2016

ADANI SHIPPING (INDIA) PRIVATE LIMITED

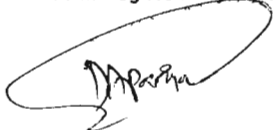
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2016

Sr.	Particulars	For the year ended 31/03/2016		For the year ended 31/03/2015	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit / (Loss) before extraordinary items and tax		(5,66,318)		(40,52,179)
	Adjustment for:				
	Depreciation / Amortisation	2,99,795		3,02,619	
	Excess / (Short) provision w/back (net)	-		981	
	Total Adjustments to Net Profit		2,99,795		3,03,600
	Operating Profit / (Loss) Before Working Capital Changes		(2,66,523)		(37,48,579)
	Adjustment for:				
	Trade Payables	48,37,611		55,67,082	
	Other Current Liabilities	3,75,574		(2,75,348)	
	Non Current Liabilities - Long term Provision	2,57,917		6,63,916	
	Short Term Provisions	7,11,548		3,35,386	
	Short Term Loan and Advances	(78,121)		(4,792)	
	Trade Receivable	(7,52,341)		2,03,530	
	Total Working Capital Changes		53,52,188		64,89,774
	Cash Generated from Operations		50,85,664		27,41,195
	Direct Tax (Paid) / Refund		-		-
	Net Cash Flow from Oprating Activities		50,85,664		27,41,195
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase / Additions to Fixed Assets	(2,69,184)		(4,29,902)	
	Net Cash Used In Investing Activities		(2,69,184)		(4,29,902)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Equity Share Capital - New Issue	-		-	
	Net Cash Used In Investing Activities		-		-
D	Net Increase / (Decrease) in cash and Bank Balances (A+B+C)		48,16,480		23,11,294
	Cash and Cash Equivalents at the beginning of the Period		35,17,503		12,06,209
	Cash & cash equivalents at the end of the year (Refer note 12)		83,33,983		35,17,503

Notes: 1) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations
2) These earmarked account balances with banks can be utilised only for the specific identified purposes.

The accompanying notes forming part of the financial statements

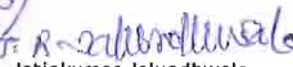
As per attached our report of even date
For DHARMESH PARIKH & CO.
Chartered Accountants
Firm Reg No : 112054W

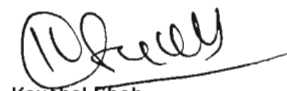


D.A. PARIKH
Partner
(Membership No.045501)
Place : Ahmedabad
Date : 28th April,2016



For and on behalf of the board of directors of
ADANI SHIPPING (INDIA) PRIVATE LIMITED


Jatinkumar Jalundhwala
Director
DIN: 00137888



Kaushal Shah
Director
DIN: 06898439
Place : Ahmedabad
Date : 28th April,2016

1 CORPORATE INFORMATION

The Company is incorporated on 27/08/2010 vide registration no. U63090MH2010PTC207152.

The main objects of the company to be pursued on its incorporation are to carry on the business to provide services such as ship management services, container vessel management, vessel management, bulk carrier and crew management services, crew support services, ship repair and ship inspections services

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS :**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards notified under section 211(3C) of the Companies Act, 1956 ("the 1956 Act"), which continues to be applicable as per section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.

The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) USE OF ESTIMATES :

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, read with General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013. The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The accounting policies have been consistently applied and are consistent with those used in the previous year

c) CURRENT AND NON-CURRENT CLASSIFICATION :

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realisation in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

d) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby by profit / (loss) extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f) DEPRECIATION ON FIXED ASSETS

(i) Depreciation on fixed assets, is provided using the straight-line method. Estimated useful lives of assets are determined based on technical parameters/assessment. The aforesaid estimated useful lives for Computing depreciation is as per Schedule II to the Companies Act, 2013

(ii) Depreciation on Assets acquired or disposed off during the year is provided on pro-rata basis with reference to the date of acquisition or disposal.

g) REVENUE RECOGNITION

Revenue is recognised to the extent that it is possible that economic benefit will flow to the Company and the revenue can be reliably measured.

Income from services is recognised based on the terms of the agreements as and when the services are rendered.

h) FIXED ASSETS**(i) Tangible Fixed assets**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses, if any. The cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

(ii) Intangible Fixed assets

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses if any. Intangible assets are amortised over their estimated useful economic life. Computer Software cost is amortised over a period of three years using straight-line method

i) FOREIGN CURRENCY TRANSACTIONS**(i) Initial Recognition and measurement**

Foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount at the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Subsequent Measurement

At the year-end, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year end exchange rates.

(iii) Exchange Differences

All exchange differences arising on settlement and conversion of foreign currency transaction are included in the Statement of Profit and Loss.



j) RETIREMENT BENEFITS

Defined contribution plans:

Company's contributions under defined contribution schemes such as provident fund, etc. are determined under the relevant schemes and / or statute and charged to the Statement of Profit & Loss Account as incurred.

Defined benefit plans and compensated absences:

Company's liabilities towards gratuity and compensated absences has been determined on the basis of method stated in AS 15 and such liability is provided for in the financial statement.

Employee Benefits

a) Short Term Employee Benefits

Short-term employees benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

b) Post Employment Benefits

i) Defined Benefit Plan

Gratuity with respect to defined benefit schemes are accrued based on actuarial valuations, carried out by an independent actuary using the Projected Unit Credit method as at the balance sheet date and are charged against revenue.

ii) Defined Contribution plans

The state governed provident fund scheme, Labour Welfare Fund Scheme are considered as defined contribution plans. The contribution under the schemes is recognized as an expense in the statement of Profit and Loss, as they are incurred. There are no other obligations other than the contribution payable to the respective funds.

iii) Provision is made for leave encashment based on actuarial valuation, carried out by an independent actuary as at the balance sheet date.

iv) Termination benefits, if any, are recognised as an expense as and when incurred.

v) For the purpose of presentation of Defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by an actuary.

k) SEGMENT REPORTING

In accordance with the Accounting Standard 17 - "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006 (as amended), the Company has determined its business segment as Ship Management Services. Since there are no other business segments in which the Company operates there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

l) RELATED PARTY TRANSACTIONS

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" issued under The Companies (Accounting Standards) Rules, 2006 (as amended) has been set out in a separate note forming part of this Note. Related parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

m) EARNING PER SHARE

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard - 20 issued under The Companies (Accounting Standards) Rules, 2006 (as amended). The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year.

n) TAXES ON INCOME

(i) Current Tax

In absence of taxable income in current year provision for taxation have not been made.

(ii) Deferred Tax

In accordance with the Accounting Standard 22 - Accounting for taxes on income, as specified in the companies (Accounting Standard) Rules, 2006 (as amended), the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet Date. Deferred tax assets arising from timing difference are recognized to the extent there is virtual certainty that the assets can be realized in future.

Net outstanding balance in Deferred tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

o) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

p) APPLICABILITY OF OTHER ACCOUNTING STANDARDS

Though other Accounting Standards also apply to the Company by virtue of the Companies Accounting Standards Rules, 2006 (as amended), no disclosure for the same is being made, as the Company has not done any transaction to which the said accounting standards apply.



3

Notes to financial statements for the year ended 31 March 2016

SHARE CAPITAL

As at 31/03/2016

Amount in Rs.

As at 31/03/2015

Amount in Rs.

a)

Authorised shares

50,000 Equity shares of Rs. 10/- each

5,00,000

5,00,000

Issued, subscribed fully paid-up shares

50,000 Equity shares of Rs. 10/- each fully paid

5,00,000

5,00,000

Total issued, subscribed and fully paid-up share capital

5,00,000

5,00,000

As at 31/03/2016

As at 31/03/2015

Equity shares

Nos

Amount in Rs.

Nos

Amount in Rs.

At the beginning of the year

50,000

5,00,000

50,000

5,00,000

Issued during the year

-

-

-

-

Outstanding at the end of the year

50,000

5,00,000

50,000

5,00,000

b)

Terms / rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

c)

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 together with its nominees are as below :

As at 31/03/2016

As at 31/03/2015

Name of Share Holders

Nos

Amount in Rs.

Nos

Amount in Rs.

Adani Enterprises Ltd. - a Holding Company and its nominee

50,000

5,00,000

50,000

5,00,000

50,000

5,00,000

50,000

5,00,000

d)

Details of shareholders holding more than 5% equity shares in the company on reporting period

As at 31/03/2016

As at 31/03/2015

Name of Shareholders

Nos

% Holding

Nos

% Holding

Adani Enterprises Ltd. - a Holding Company and its nominee

50,000

100.00%

50,000

100.00%

4

Reserves and surplus

Surplus / (deficit) in the statement of profit and loss

Balance as per last financial statements

(47,10,957)

(20,26,107)

Profit/(Loss) for the Year

(1,26,498)

(26,84,850)

Net Surplus/(Deficit) in the statement of Profit and Loss

(48,37,455)

(47,10,957)

5

Long Term Provisions

As at 31/03/2016

As at 31/03/2015

Amount in Rs.

Amount in Rs.

Provision for leave encashment

10,94,995

7,40,846

Provision for gratuity

10,73,675

11,69,906

21,68,670

19,10,752

6

Trade Payables

As at 31/03/2016

As at 31/03/2015

Amount in Rs.

Amount in Rs.

Trade Payables(refer note 23)

-

-

- Micro, small and medium enterprises

1,25,23,725

76,94,854

- Others

8,740

-

1,25,32,465

76,94,854

7

Other Current Liabilities

As at 31/03/2016

As at 31/03/2015

Amount in Rs.

Amount in Rs.

Advance from Customers

12,942

1,27,135

Statutory Dues (including Provident Fund & Tax Deducted at Source)

8,93,899

4,04,132

9,06,841

5,31,267

8

Short Term Provisions

As at 31/03/2016

As at 31/03/2015

Amount in Rs.

Amount in Rs.

Provision for leave encashment

7,71,996

6,23,184

Provision for gratuity

5,72,284

9,548

13,44,280

6,32,732

Ahmedabad

Chartered Accountants



NOTE 9: FIXED ASSETS :

ADANI SHIPPING (INDIA) PRIVATE LTD

(In Rupees)

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK As At 31/03/2016
		Opening Balance 01/04/2015	Additions during the year	Deductions during the year	Closing Balance 31/03/2016	Opening Balance 01/04/2015	Provided for the year	Deductions during the year	Closing Balance 31/03/2016	
A	Tangible									
1	Furniture & Fixtures	6,684	-	-	6,684	2,013	743	-	2,756	3,928
	31st March 2015	6,684	-	-	6,684	1,270	743	-	2,013	4,671
2	Computers	5,47,023	2,69,184	-	8,16,207	3,41,484	1,65,534	-	5,07,018	3,09,189
	31st March 2015	4,53,247	93,776	-	5,47,023	1,21,556	2,19,928	-	3,41,484	2,05,539
3	Office Equipments	9,652	-	-	9,652	3,289	2,584	-	5,873	3,779
	31st March 2015	9,652	-	-	9,652	705	2,584	-	3,289	6,363
4	Office Equipments (100 %)	22,000	-	-	22,000	22,000	-	-	22,000	-
	31st March 2015	22,000	-	-	22,000	22,000	-	-	22,000	-
	Total (A)	5,85,359	2,69,184	-	8,54,543	3,68,786	1,68,861	-	5,37,647	3,16,896
	31st March 2015	4,91,583	93,776	-	5,85,359	1,45,531	2,23,255	-	3,68,786	2,16,573
B	Intangible									
1	Computer Software	4,67,473	-	-	4,67,473	1,43,412	1,30,934	-	2,74,346	1,93,127
	Total (B)	4,67,473	-	-	4,67,473	1,43,412	1,30,934	-	2,74,346	1,93,127
	31st March 2015	1,31,347	3,36,126	-	4,67,473	64,048	79,364	-	1,43,412	3,24,061
	Grand Total(A+B)	10,52,832	2,69,184	-	13,22,016	5,12,198	2,99,795	-	8,11,993	5,10,023
	31st March 2015	6,22,930	4,29,902	-	10,52,832	2,09,579	3,02,619	-	5,12,198	5,40,634



10	Deferred tax Assets (net)	As at 31/03/2016 Amount in Rs.	As at 31/03/2015 Amount in Rs.
	Deferred Tax Liability on Account of Depreciation	50,136	57,788
	Total	50,136	57,788
	Deferred Tax Assets on Account of		
	(i) Unabsorbed Losses / Depreciation	12,60,544	11,26,583
	(ii) Preliminary Expenses	-	1,358
	(iii) Leave encashment	5,76,901	4,21,485
	(iv) Gratuity	5,08,602	3,64,451
	Total	23,46,047	19,13,877
	Net Deferred Tax Assets / (Liability)	22,95,911	18,56,089
In accordance with Accounting Standard 22 the deferred tax assets for Rs. 4,39,820/- (31st March, 2015 : Rs. 13,67,329/-) for the year has been recognised in the Statement of Profit & Loss.			
11	Long-term loans and advances (Unsecured, considered good)	As at 31/03/2016 Amount in Rs.	As at 31/03/2015 Amount in Rs.
	MAT Credit Entitlement	3,19,964	3,19,964
		3,19,964	3,19,964
12	Trade Receivables (Unsecured, considered good)	As at 31/03/2016 Amount in Rs.	As at 31/03/2015 Amount in Rs.
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	a) Considered good	-	-
	b) Considered doubtful	-	-
		-	-
	Trade receivables outstanding for a period less than six months from the date they were due for payment		
	a) Considered good	10,61,548	3,09,208
	b) Considered doubtful	-	-
		10,61,548	3,09,208
		10,61,548	3,09,208
13	Cash and Cash Equivalents	As at 31/03/2016 Amount in Rs.	As at 31/03/2015 Amount in Rs.
	<u>Balances with banks</u>		
	On Current accounts	83,33,983	35,17,503
		83,33,983	35,17,503
14	Short-term loans and advances (Unsecured, considered good)	As at 31/03/2016 Amount in Rs.	As at 31/03/2015 Amount in Rs.
	Advance For Expenses	93,372	15,251
		93,372	15,251
15	Revenue from operations	For the Year ended 31/03/2016 Amount in Rs.	For the Year ended 31/03/2015 Amount in Rs.
	Revenue from operations		
	Earning from Vessel Management Services	3,13,52,640	2,93,05,668
		3,13,52,640	2,93,05,668
16	Other Income	For the Year ended 31/03/2016 Amount in Rs.	For the Year ended 31/03/2015 Amount in Rs.
	Other Income		
	Exchange Gain / (Loss) (net)	1,14,554	37,849
	Excess / (Short) Provisions w/back (Net)	-	981
		1,14,554	38,829



17	Employee benefit expense	For the Year ended 31/03/2016 Amount in Rs.	For the Year ended 31/03/2015 Amount in Rs.
	Salaries and Bonus	2,38,62,070	2,17,08,377
	Contribution to provident and other	11,74,673	11,64,230
	Gratuity	6,17,049	5,08,752
	Staff Welfare Expenses	4,17,790	4,41,867
		2,60,71,582	2,38,23,226
18	Finance Charges	For the Year ended 31/03/2016 Amount in Rs.	For the Year ended 31/03/2015 Amount in Rs.
	Interest paid on Income Tax	-	12,789
	Prior Period Expenses - Interest on PF	-	46,321
	Interest to Others	1,621	-
		1,621	59,110
19	Other Expenses	For the Year ended 31/03/2016 Amount in Rs.	For the Year ended 31/03/2015 Amount in Rs.
	Repair and Maintenance Others	1,76,270	2,07,143
	Legal and Professional fees	3,51,089	2,75,366
	Books and Periodicals	45,000	46,494
	Printing and Stationery	51,915	42,744
	Postage and Communication Expenses	2,01,777	1,87,115
	Conveyance	11,989	14,996
	Travel Expenses	1,94,342	1,96,921
	Rent	38,93,403	68,17,333
	Rates and Taxes	2,812	2,500
	Electricity	3,43,880	4,69,195
	Advertisement	-	4,85,585
	Security Charges	90,184	74,099
	Subscription and Membership	-	70,000
	Office Expenses	1,71,277	1,69,207
	Damages paid on PF dues	675	66,472
	Bank and Other Charges	16,761	11,822
	Payment to Auditors		
	(i) Statutory Audit fees	57,250	44,944
	(ii) Transfer Pricing Audit fees	11,450	5,618
	(iii) Tax Audit fees	17,175	5,618
	(iv) Certification fees	17,565	18,549
	(v) Other Matters	5,700	-
		56,60,514	92,11,721

20 The Company has accumulated losses at March 31, 2016, and the net worth is negative. The Holding company has provided assurance that it intends to provide sufficient financial support to finance the operation of the company for foreseeable future if necessary. Based on above discussion, the management is of the opinion that it is appropriate to prepare these financial statement on the basis of going concern.

21 **Contingent Liabilities and commitments (to the extent not provided for)**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
a.	Contingent Liabilities	NIL	NIL
b.	Commitment	NIL	NIL

22	Earnings per share (EPS)	For the Year ended 31/03/2016 Amount in Rs.	For the Year ended 31/03/2015 Amount in Rs.
	Total operations for the year		
	Profit / (Loss) after tax (for calculation of Basic and Diluted EPS)	(1,26,498)	(26,84,850)
	No of equity shares at the beginning of the year	50,000	50,000
	Add : Weighted average no of equity shares issued during the year	-	-
	Weighted average no of equity shares in calculating Basic and Diluted EPS	50,000	50,000
	Nominal value per share (in Rupees)	10	10
	Basic and diluted earnings (loss) per share (in Rupees)	(2.53)	(53.70)



- 23 The Company has made provision in the Accounts for Gratuity based on Actuarial valuation. The particulars under the AS 15 (Revised) furnished below are those which are relevant and available to company for this year.

- (a) Contributions to Defined Contribution Plan, recognised as expense for the year are as under:

(Amt in Rs)

Particulars	For the Year ended 31/03/2016	For the Year ended 31/03/2015
Employer's Contribution to Provident Fund	10,48,826	10,63,991

- (b) Contributions to Defined Benefit Plans are as under:

- (i) Gratuity

(Amt in Rs)

Particulars	For the Year ended 31/03/2016	For the Year ended 31/03/2015
Change in the defined benefit obligation		
Defined benefit obligation as at 1 April, 2015	11,79,454	6,70,702
Service cost	3,71,583	3,20,817
Interest cost	92,194	60,287
Actuarial loss/(gain)	1,53,273	1,27,647
Benefits paid	(1,50,545)	-
Defined benefit obligation as at 31st March, 2016	16,45,959	11,79,454
Present value of unfunded obligations	16,45,959	11,79,454
statement of Profit & Loss for year		
Current Service cost	3,71,583	3,20,817
Interest cost	92,194	60,287
Net actuarial loss/(gain) recognized	1,53,273	1,27,647
Net amount recognized	6,17,050	5,08,751
The principal actuarial assumption used as at 31st March, 2016 are as follows:		
Discount Rate	7.90%	7.80%
Expected rate of return on Plan Assets	-	-
Rate of increase in Compensation Levels (Refer Note (c) below)	8%	7%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition rate	2.00%	2.00%
Amount for the current & previous period data for defined benefit obligation and fair value of plan:		
Gratuity	31-03-2016	31-03-2015
Defined benefit Obligation	16,45,959	11,79,454
Plan Assets	-	-
Surplus / (deficit)	(16,45,959)	(11,79,454)
Experience Adjustments on plan	1,53,273	1,27,647

- (c) The estimate of future salary increase, considered in actuarial variation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) Current and non current classification is done based on actuarial valuation certificate.



24 Related party disclosure (As identified by the Management)

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2016 for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under.

A Name of related parties & description of relationship

Sr. No.	Relationship	Names
1	Holding Company	Adani Enterprises Ltd.(controlled by S.B. Adani Family Trust, a private discretionary trust)
2	Subsidiary Companies (including step down subsidiaries)	NIL
3	Fellow Subsidiary Companies (with whom transactions done during the year)	1. Rahi Shipping Pte. Ltd., Singapore 2. Vanshi Shipping Pte. Ltd., Singapore 3. Aanya Maritime Inc., Panama 4. Aashna Maritime Inc., Panama
4	Associates (with whom transactions done during the year)	Adani Infrastructure and Development Private limited
5	Key Management Personnel	(i) Mr. Jatinkumar Jalundhwala, Director (ii) Mr. Pranav S. Vora, Director (iii) Capt. Sandeep Mehta, Director (iv) Mr. Kaushal G. Shah, Director (w.e.f. 04.04.2015)

B Nature & Volume of Transaction with Related Parties

Sr. No.	Company and transaction details	For the Year ended 31/03/2016 Amount in Rs.	Balance as at 31/03/2016 Amount in Rs. Due to / (from)	For the Year ended 31/03/2015 Amount in Rs.	Balance as at 31/03/2015 Amount in Rs. Due to / (from)
1	<u>Adani Enterprises Ltd</u> Reimbursement of expenses Guarantee availed		7,50,000	-	- 7,50,000
2	<u>Rahi Shipping Pte Ltd</u> Technical Management Fees Income Reimbursement of Expenses Closing balance	78,38,160 3,58,144	(12,942)	73,26,417 1,85,018	- (12,443)
3	<u>Vanshi Shipping Pte Ltd</u> Technical Management Fees Income Reimbursement of Expenses Closing balance	78,38,160 4,69,195	1,55,748	73,26,417	- (1,14,693)
4	<u>Aanya Maritime Inc</u> Technical Management Fees Income Reimbursement of Expenses Closing balance	78,38,160 8,04,860	6,01,157	73,26,417 4,87,689	15,321
5	<u>Aashna Maritime Inc</u> Technical Management Fees Income Reimbursement of Expenses Closing balance	78,38,160 15,34,371	3,04,644	73,26,417 3,66,544	- 2,93,887
6	<u>Adani Infrastructure and Developers Pvt Ltd</u> Reimbursement of Expenses Closing balance	46,70,423	(1,12,11,698)	77,21,302	(69,49,172)



25 Statutory Disclosure

Sr. No.	Particulars	For the Year ended 31/03/2016	For the Year ended 31/03/2015
a.	Earning in Foreign Currency - Technical management Fees	3,13,52,640	2,93,05,668

26 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principle amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

27 Other Disclosures

- In the opinion of the management and to best of their knowledge and belief the value under the head of Current and Non-current Assets (Other than fixed assets and non-current investments) are approximately of the values stated, if realized in ordinary course of business, except unless stated otherwise. The provision for all known current liabilities is adequate and not in excess of amount considered reasonably necessary.
- Based on assessment of the future taxable income, the Management is of the opinion that there is convincing evidence that the Company will pay normal income tax within the specified period during which MAT credit is available for set off. Accordingly, MAT credit entitlement assets (disclosed under Long term Loans and Advances) of Rs.3,19,964.
- Previous Year Comparatives**
Figures for the previous year have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per attached our report of even date
For **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg No : 112054W



[Signature]

D.A. PARIKH
Partner
(Membership No.045501)
Place : Ahmedabad
Date : 28th April,2016

For and on behalf of the board of directors of
ADANI SHIPPING (INDIA) PRIVATE LIMITED



[Signature]
Jatinkumar Jalundhwala
Director
DIN: 00137888

[Signature]

Kaushal Shah
Director
DIN: 06898439
Place : Ahmedabad
Date : 28th April,2016