

INDEPENDENT AUDITOR'S REPORT

To The Members of Adani Ennore Container Terminal Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Adani Ennore Container Terminal Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its loss, total comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report of even date and annexure thereof, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 A". Our report expresses an

unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid the remuneration to its directors during the year.
 - 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, as amended 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No. 106189)

Place: Ahmedabad
Date: May 25, 2019

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of Adani Ennore Container Terminal Private Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 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 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, to the best of our information and according to the explanations given to us, 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 31st March, 2019, 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 25, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 2 on Report on Other Legal and Regulatory Requirements' on our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and acquired building and hence reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues of Provident Fund, Income-tax, Employees State Insurance Corporation, Goods and Services Tax, Customs Duty, cess, and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Employees State Insurance Corporation, Goods and Services Tax, Customs Duty, cess, and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which amount relates	Amount involved (Rs. In lacs)	Amount unpaid (Rs. In lacs)
Finance Act, 1994	Service Tax	Commissioner, Central Goods and Services Tax	2014-15 to 2017-18	2,841.65	2,841.65

- (viii) In our opinion and according to the information and explanations given to us, as at the reporting date, the Company has not defaulted in the repayment of loans or borrowings to bank. The Company has not issued any debentures and has not taken any loans or borrowings from the government or financial institutions.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans has been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment, if any, pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration during the year and hence reporting under clause (xi) of the Order is not applicable and hence not commented upon.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause (xiii) of the Order is not applicable.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 25, 2019

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	77,113.84	81,373.16
Capital Work-in-Progress		39.76	62.99
Other Intangible Assets	3	21.75	26.50
Other Non-Current Assets	6	1,478.06	2,974.15
		78,653.41	84,436.80
Current Assets			
Inventories	7	22.51	-
Financial Assets			
(i) Trade Receivables	4	750.89	58.90
(ii) Cash and Cash Equivalents	8	408.36	1,030.86
(iii) Other Financial Assets	5	48.48	47.35
Other Current Assets	6	2,108.80	529.18
		3,339.04	1,666.29
Total Assets		81,992.45	86,103.09
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	19,200.00	5.00
Other Equity	10	(13,738.38)	(2,658.26)
Equity attributable to Owners of the Company		5,461.62	(2,653.26)
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	72,099.85	84,763.64
		72,099.85	84,763.64
Current Liabilities			
Financial Liabilities			
(i) Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises	15	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	499.57	583.93
(ii) Other Financial Liabilities	12	3,770.01	3,257.82
Provisions	13	13.20	94.11
Other Current Liabilities	14	148.20	56.85
		4,430.98	3,992.71
Total Liabilities		76,530.83	88,756.35
Total Equity and Liabilities		81,992.45	86,103.09

The accompanying notes from 1 to 38 form an integral part of financial statements
As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

G.J.Rao
Managing Director
DIN: 01724002

Karan Adani
Director
DIN: 03088095

Kunjal Mehta
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: May 25, 2019

Place: Ahmedabad
Date: May 25, 2019

Adani Ennore Container Terminal Private Limited
Statement of Profit and Loss for the year ended March 31, 2019



₹ in Lacs

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from Operations	16	1,532.46	12.86
Other income	17	74.25	486.10
Total income		1,606.71	498.96
EXPENSES			
Operating Expenses	18	1,233.89	32.98
Employee Benefits Expense	19	1,072.21	100.74
Depreciation and Amortization Expense	3	4,047.01	356.54
Foreign Exchange Loss (net)		2,174.38	-
Finance Costs			
(i) Interest and Bank Charges	20	4,040.74	1,978.44
(ii) Derivative (Gain) / Loss (net)	20	(726.28)	596.30
Other Expenses	21	653.01	76.26
Total Expenses		12,494.96	3,141.26
Loss before tax		(10,888.25)	(2,642.30)
Tax Expenses:	22		
Current Tax		-	-
Deferred Tax		-	-
Total Tax Expenses		-	-
Loss for the year	(A)	(10,888.25)	(2,642.30)
Other Comprehensive Income			
Item that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains on defined benefit plans (net of tax)		1.71	2.33
Total other comprehensive income (net of tax)	(B)	1.71	2.33
Total Comprehensive Income for the year	(A+B)	(10,886.54)	(2,639.97)
Earnings per Share - (Face value of ₹ 10 each)			
Basic and Diluted (in ₹)	25	(7.39)	(5,284.60)

The accompanying notes from 1 to 38 form an integral part of financial statements
As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 25, 2019

For and on behalf of Board of Directors

G.J.Rao
Managing Director
DIN: 01724002

Karan Adani
Director
DIN: 03088095

Kunjal Mehta
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: May 25, 2019

Adani Ennore Container Terminal Private Limited
Statement of Changes in Equity for the year ended March 31, 2019



₹ in Lacs

Particulars	Equity Share Capital	Other Equity	Total
		Reserves and Surplus	
		Retained Earnings	
Balance as at April 01, 2017	5.00	(18.29)	(13.29)
Loss for the year	-	(2,642.30)	(2,642.30)
Other Comprehensive Income for the year	-	2.33	2.33
Total Comprehensive Income for the year	-	(2,639.97)	(2,639.97)
Balance as at March 31, 2018	5.00	(2,658.26)	(2,653.26)
Shares issued during the year	19,195.00	-	19,195.00
Share issue expenses	-	(193.58)	(193.58)
Loss for the year	-	(10,888.25)	(10,888.25)
Other Comprehensive Income for the year	-	1.71	1.71
Total Comprehensive Income for the year	-	(10,886.54)	(10,886.54)
Balance as at March 31, 2019	19,200.00	(13,738.38)	5,461.62

The accompanying notes from 1 to 38 form an integral part of financial statements
As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

G.J.Rao
Managing Director
DIN: 01724002

Karan Adani
Director
DIN: 03088095

Kunjal Mehta
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: May 25, 2019

Place: Ahmedabad
Date: May 25, 2019

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash Flows from Operating Activities		
Loss before tax for the year	(10,888.25)	(2,642.30)
Adjustments for:		
Loss on sale of Inventory	5.94	-
Loss on sale of Property, Plant and Equipment (net)	31.90	-
Excess provision written back	(14.66)	-
Depreciation and Amortisation Expenses	4,047.01	356.54
Interest Income	(2.66)	(486.10)
Interest Expense	3,777.89	1,977.48
Loss on Foreign Exchange Fluctuation(net)	2,174.38	-
Derivative (Gain)/Loss	(726.28)	596.30
Operating Loss before Working Capital Changes	(1,594.73)	(198.08)
Adjustments for:		
(Increase) in Trade Receivables	(691.99)	(58.90)
(Increase) in Inventories	(28.45)	-
(Increase)/Decrease in Financial Assets	(1.03)	10,017.35
(Increase) in Other Assets	(66.32)	(456.63)
Increase/(Decrease) in Trade Payables	(84.36)	583.93
Increase in Other Liabilities	26.80	21.52
Increase in Financial Liabilities	535.82	-
Cash Generated from/(used in) Operations	(1,904.26)	9,909.19
Direct Taxes Paid (Net of Refunds)	(16.74)	(112.97)
Net Cash generated from/(used in) Operating Activities (A)	(1,921.00)	9,796.22
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment(Including Capital Work-in-Progress, Capital Creditors and Capital Advances)	(22.71)	(13,865.46)
Proceeds from Sale of Property, Plant and Equipment	182.28	-
Interest Received	2.56	1,543.60
Net Cash generated from/(used in) Investing Activities (B)	162.13	(12,321.86)
Cash Flows from Financing Activities		
Proceeds from issuance of Equity Shares	19,195.00	-
Cost of issuance of equity shares	(193.58)	-
Proceeds from Inter-Corporate Deposit	12,258.85	11,010.24
Repayment of Inter-Corporate Deposit	(19,909.99)	(13,817.15)
Proceeds(Repayment) from/(Of) Supplier's Credit	(6,808.17)	6,403.43
(Loss)/Gain on settlement/cancellation of derivative swap contracts	1,052.34	(1,846.18)
Interest Paid	(4,458.08)	752.80
Net Cash generated from Financing Activities (C)	1,136.37	2,503.14
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(622.50)	(22.50)
Cash and Cash Equivalents at the beginning of the year (refer note 8)	1,030.86	1,053.36
Cash and Cash Equivalents at the end of the year (refer note 8)	408.36	1030.86
Component of Cash and Cash Equivalents		
Balances with Scheduled Banks		
Deposits with original maturity of less than three months	285.34	-
In Current Accounts	123.02	1,030.86
Cash and Cash Equivalents at the end of the year	408.36	1,030.86

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

2) Disclosure under Para 44A as set out in Ind AS 7 on Statement of Cash Flows is given as per note 34.

The accompanying notes from 1 to 38 form an integral part of financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikya Raval
Partner

G.J.Rao
Managing Director
DIN: 01724002

Karan Adani
Director
DIN: 03088095

Kunjal Mehta
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: May 25, 2019

Place: Ahmedabad
Date: May 25, 2019

1 Corporate information

Adani Ennore Container Terminal Private Limited ("the Company" or "AECTPL") was incorporated on February 18, 2014 as a 100% subsidiary of Adani Ports and Special Economic Zone Limited. The Company has objective to develop and operate Container Terminal(s) near Ennore at Tamilnadu. The Company has been awarded letter of award dated February 14, 2014 for the above project from Kamarajar Port Limited duly approved by the Union Government. The registered office of the company is located at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat. The Company has commenced commercial operations from February 28, 2018.

2 Basis of preparation

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

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy as mentioned in note 2.2(t) hitherto in use.

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

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

In addition, the financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax liabilities are classified as non-current liabilities.

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

b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

c) Property, Plant and Equipment (PPE)

Property Plant and Equipment ('PPE') is measured on initial recognition at cost net of taxes/ duties, credits availed, if any, and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of PPE includes interest on borrowings directly attributable to acquisition, construction or production of qualifying assets. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of asset. Subsequent expenditure is capitalised only if it is probable that the future economic benefits will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, The company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

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

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

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

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

Category	Assets	Estimated Useful Life
Lease Hold Land /Lease hold Land Development	Leasehold land/Leasehold land development	Over the balance period of Concession Agreement.
Marine Structures	Marine Structure	30 Years as per Concession Agreement.
Marine Structures	Pneumatic Fender	10 Years
Plant & Machinery	RMQC	20 Years

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

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

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

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite as per the below table.

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

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

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

Intangible assets	Method of Amortisation	Estimated Useful Life
Software	on straight line basis	5 Years or useful life whichever is less

e) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Port Operation Services

Revenue from port operation services including Container handling, storage are recognized on proportionate completion method basis based on services completed till reporting date. Revenue is recognized based on the actual service provided to the end of reporting period as a proportion of total services to be provided. The amount recognized as a revenue is exclusive of indirect taxes where applicable.

In cases, where the contracts include multiple contract obligations, the transaction price will be allocated to each performance obligation based on the standalone selling prices. Where these prices are not directly observable, they are estimated based on expected cost plus margin.

Interest Income

Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts future cash receipts through the expected life of financial asset to the assets net carrying amount on initial recognition.

Income from SEIS

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

f) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when it relates to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities simultaneously.

g) Foreign currency transactions:

The Company's financial statements are presented in INR, which is functional currency of the Company. The Company determines the functional currency and items included in the financial statements are measured using that functional currency. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of transaction.

Transactions and balances

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exceptions for which below treatment is given as per the option availed under Ind AS 101:

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

ii. Exchange differences arising on other outstanding long term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) and amortized over the remaining life of the concerned monetary item or financial year 2019-20 whichever is earlier.

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

h) Employees Retirement Benefits

i) Defined contribution plan : Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

ii) Defined benefit plan : The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- > Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- > Net interest expense or income

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

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

i) Borrowing Costs

Borrowing costs are interest and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Segment Reporting

In accordance with the Ind-As 108 -" Operating Segments" , the Company is primarily engaged in the business of developing, operating and maintaining Container Terminal. 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.

k) Related Party Transactions

Disclosure of transactions with Related Parties, as required by Ind-As 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-As 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

l) Leases

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

The Company as a lessee

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

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

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

Lease arrangements where the risks and rewards of ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

m) Earnings per share

Basic EPS is computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary equity shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to equity shareholders and the weighted average number of all equity shares outstanding for the effects of all dilutive potential equity shares.

n) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions are identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of The company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

o) Provisions (other than employee benefits), Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of the money is material). The increase in the provisions due to passage of time is recognised as interest expense. Provisions are reviewed as at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

p) Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants and subsidies will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance sheet and transferred to profit or loss on systematic and rational basis over the useful lives of the related asset. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs which they are intended to compensate on a systematic basis. Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

q) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- > In the principal market for the asset or liability, or
- > In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- > Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- > Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

r) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- > Debt instruments at amortised cost
- > Debt instruments at fair value through other comprehensive income (FVTOCI)
- > Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- > Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

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

Derecognition

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

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

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

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

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances
- b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 15

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- > Trade receivables or contract revenue receivables; and

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

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

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

This category generally applies to borrowings.

Derecognition

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

s) Derivative financial instruments

Initial recognition and subsequent measurement

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

Any gains or losses arising from changes in the fair value of derivative financial instrument are recognised in the statement of profit and loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance expense.

t) New and amended standards adopted by the Company

The Company has applied the following standards and amendment for the first time for annual reporting period commencing from April 01, 2018:-

• Ind AS 115 - Revenue from Contracts with Customer

The core principle of the standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The adoption of the standard did not have any material impact on the financial statements of the Company.

• Amendment to Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance

The amendment clarifies that where the government grant related to assets, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by grant in arriving at the carrying amount of the asset. Prior to the amendment, IND AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the assets. This amendment do not have any impact on the financial statements.

• Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21 - The Effect of Changes in Foreign Exchange Rates

The Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

~ The beginning of the reporting period in which the entity first applies the Appendix, or

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

The interpretation does not have any impact on the Company's financial statements.

• Amendment to Ind AS 12 - Income Taxes

The amendment clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendment provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendment retrospectively. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. This amendment do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendment.

• **Amendment to Ind AS 40 - Investment Property**

The amendment clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendment state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendment prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendment. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. This amendment do not have any impact on the Company's financial statements.

• **Amendment to Ind AS 28 - Investment in Associate and Joint Ventures**

The amendment clarify that a venture capital organisation or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. Further, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method. Therefore, this choice is available, at initial recognition, for each investment entity associate or joint venture.

• **Ind AS 112 - Disclosure of Interest in Other Entities**

The amendment clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Significant accounting estimates, assumptions and judgements

Use of estimates

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, the management has made judgements, which have most significant impact on the amounts recognised on the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

Useful lives of Property, plant and equipment ('PPE')

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years. The estimated useful lives of Property, plant and equipment are described in note 2.2(c).

Employee benefit obligations

Employee benefit obligations (gratuity and compensated absences) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details on gratuity obligations are disclosed in note 28.

Provision for Decommissioning Liabilities

The management of the Company has estimated that there is no probable decommissioning liability under the condition / terms of the concession agreement with the Kamarajar Port Limited.

Taxes

Deferred tax (including MAT Credits) assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 22.

Adani Ennore Container Terminal Private Limited
Notes to Financial Statements for the year ended March 31, 2019
Note 3 - Property, Plant and Equipment and Other Intangible Assets



₹ in Lacs

Particulars	Property, Plant and Equipment									Other Intangible Assets	Grand Total
	Building	Computer Hardware	Leasehold Land Development	Office Equipments	Plant & Equipment	Furniture & Fixtures	Vehicles	Marine Structures	Total	Software	
Cost											
As at April 1, 2017	55.24	28.81	-	24.51	11.31	23.55	-	-	143.42	0.16	143.58
Additions	8,831.75	578.35	229.34	59.87	54253.8	87.45	644.95	13,200.08	77,885.59	26.83	77,912.42
Deductions/Adjustment	-	-	-	-	-	-	-	-	-	-	-
Borrowing Cost	441.10	-	-	-	3,253.29	-	-	839.20	4,533.59	-	4,533.59
Exchange difference	(71.19)	-	-	-	(525.05)	-	-	(135.44)	(731.68)	-	(731.68)
As at March 31, 2018	9,256.90	607.16	229.34	84.38	56,993.35	111.00	644.95	13,903.84	81,830.92	26.99	81,857.91
Additions	5.57	19.21	-	1.23	10.08	-	46.37	-	82.46	0.67	83.13
Deductions/Adjustment	-	(9.02)	-	-	(209.89)	-	(86.01)	-	(304.92)	-	(304.92)
As at March 31, 2019	9,262.47	617.35	229.34	85.61	56,793.54	111.00	605.31	13,903.84	81,608.46	27.66	81,636.12
Depreciation/Amortisation											
As at April 1, 2017	37.78	15.93	-	6.50	1.52	1.14	-	-	62.87	0.01	62.88
Depreciation/Amortisation for the year(refer note below)	45.26	25.30	0.67	6.78	278.28	3.14	7.07	28.39	394.89	0.48	395.37
Deductions/(Adjustment)	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	83.04	41.23	0.67	13.28	279.80	4.28	7.07	28.39	457.76	0.49	458.25
Depreciation/Amortisation for the year(refer note below)	317.15	136.32	7.66	16.90	3,153.14	11.10	75.61	323.71	4,041.59	5.42	4,047.01
Deductions/(Adjustment)	-	(3.46)	-	-	(1.27)	-	-	-	(4.73)	-	(4.73)
As at March 31, 2019	400.19	174.09	8.33	30.18	3,431.67	15.38	82.68	352.10	4,494.62	5.91	4,500.53
Net Block											
As at March 31, 2019	8,862.28	443.26	221.01	55.43	53,361.87	95.62	522.63	13,551.74	77,113.84	21.75	77,135.59
As at March 31, 2018	9,173.86	565.93	228.67	71.10	56,713.55	106.72	637.88	13,875.45	81,373.16	26.50	81,399.66

Note:

Reconciliation for the difference between the Depreciation as per the above Schedule and Depreciation as per Statement of Profit and Loss is as below:

₹ in Lacs

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Depreciation/Amortisation as per PPE Schedule	4,047.01	395.37
Depreciation/Amortisation Capitalised/Transferred to CWIP	-	(38.83)
Net Depreciation as per Statement of Profit and Loss	4,047.01	356.54

4 Trade Receivables

Current

Unsecured, unless stated otherwise

Considered Good

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
	750.89	58.90
	750.89	58.90

Receivables from related parties (refer note 32)

Notes:

- a) The carrying amounts of trade receivables as at the reporting date approximate fair value. Also, refer note 24 for information about credit risk and market risk.
- b) No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.
- c) Generally, as per credit terms trade receivable are collectable within 30-180 days although the Company provide extended credit period considering business and commercial arrangements with the customers including with the related parties.

5 Other Financial Assets

Current

Security and other deposits (unsecured, considered good)

Interest accrued on deposits and loans

Advances to employees

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
	46.25	46.15
	0.10	-
	2.13	1.20
	48.48	47.35

Note:

The carrying amounts of other financial assets as at the reporting date approximate fair value. Also, refer note 24 for information about credit risk and market risk.

6 Other Assets

Non Current

Capital Advances

Unsecured, considered good

Others (Unsecured)

Prepaid Expenses

Export Benefits and Other Receivables (refer note below)

Balance with Government Authorities

Advance income tax (net of provision)

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
	0.47	-
(A)	0.47	-
	28.13	37.50
	36.25	-
	1,149.90	2,690.08
	263.31	246.57
(B)	1,477.59	2,974.15
	1,478.06	2,974.15

Note:

Service Exports from India Scheme (SEIS)

SEIS allows Service providers of eligible services to entitlement of Duty credit Scrip at notified rates on net foreign exchange earned. The duty credit scrip being Government Grant, is accounted as stated in the Accounting policy on Government Grant. During the year, company has recognised income of ₹ 36.25 lacs (Previous Year – ₹ Nil) on account of SEIS scheme. There are no unfulfilled conditions or other contingencies attaching to these grants.

Current

Advances recoverable other than in cash

Unsecured, considered good

Others (Unsecured)

Prepaid Expenses

Security and other deposits

Balances with Government authorities

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
	26.38	16.23
(A)	26.38	16.23
	129.43	104.11
	-	24.00
	1,952.99	384.84
(B)	2,082.42	512.95
	2,108.80	529.18

7 Inventories

(At lower of Weighted Average Cost or Net realisable Value)

Stores and spares

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
	22.51	-
	22.51	-

8 Cash and Cash Equivalents

Balances with banks:

Balance in current account

Deposits with original maturity of less than three months

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
	123.02	1,030.86
	285.34	-
	408.36	1,030.86

9 Equity Share Capital

Authorised share capital

19,20,00,000 (previous year 50,000) Equity Shares of ₹ 10 each

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
19,200.00	5.00
19,200.00	5.00

Issued, subscribed and fully paid up share capital

19,20,00,000 (previous year 50,000) fully paid up Equity Shares of ₹ 10 each

19,200.00	5.00
19,200.00	5.00

Notes:

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

	March 31, 2019		March 31, 2018	
	No.	₹ in Lacs	No.	₹ in Lacs
At the beginning of the year	50,000	5.00	50,000	5.00
Add: Issued during the year	191,950,000	19,195.00	-	-
Outstanding at the end of the year	192,000,000	19,200.00	50,000	5.00

(b) Terms/rights attached to equity shares:

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

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

(c) Shares held by parent company

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

	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Adani Ports and Special Economic Zone Limited, the parent company and its nominees		
19,20,00,000 equity shares (Previous year 50,000) of ₹ 10 each	19,200.00	5.00

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

Particulars		March 31, 2019	March 31, 2018
Adani Ports and Special Economic Zone Limited, the parent company and its nominees	Nos.	19,20,00,000	50,000
	% Holding	100.00%	100.00%

10 Other Equity

Retained Earnings

Opening Balance
Add: Loss during the year
Add: Re-measurement gains on defined benefit plans
Share issue expenses
Closing Balance

	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
(2,658.26)	(18.29)	
(10,888.25)	(2,642.30)	
1.71	2.33	
(193.58)	-	
(13,738.38)	(2,658.26)	

Note: The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

11 Borrowings

Non-Current

Term loans

Inter Corporate Deposit (Unsecured) (refer note (i) below)
Supplier's Credit (Unsecured) (refer note (ii) below)

	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
37,886.04	45,537.18	
34,592.67	39,226.46	
72,478.71	84,763.64	

Less:

Current maturities of Inter corporate deposit (shown under "Other current financial liabilities" -refer note 12)

378.86	-
72,099.85	84,763.64

The above amount includes

Secured borrowings
Unsecured borrowings
Total borrowings

-	-
72,099.85	84,763.64
72,099.85	84,763.64

Notes:

(i) Interest on Inter Corporate Deposit from Adani Ports & Special Economic Zone Limited, the holding company is chargeable at a rate ranging from 6.25 % to 7.50% p.a.(previous year 6.25% p.a.). The loan is repayable in 44 structured quarterly installments commencing from March 31, 2020 and final repayment on Dec 31, 2030.

(ii) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 34,592.67 Lacs (previous year ₹ 39,226.46 Lacs) carries interest @ 3 to 6 Months Libor plus basis points in the range of 50 to 120. These facilities are availed out of the facilities sanctioned to Adani Ports and Special Economic Zone Limited, the parent company.

12 Other Financial Liabilities

Current

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Current maturities of long term borrowings (refer note 11)	378.86	-
Interest accrued but not due on borrowings	2,487.50	3,167.70
Deposits from customers	1.00	-
Capital creditors, retention money and other payable	41.77	90.12
Refund Liability (refer note (b) below)	534.82	-
Derivative liabilities	326.06	-
	3,770.01	3,257.82

Notes:

(a) The carrying amounts of other financial liabilities as at the reporting date approximate fair value. Also, refer note 24 for information about market risk.

(b) A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refund liability refers to the volume discount which shall be payable to the customer after adjusting any outstanding receivable from them.

13 Provisions

Current

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Provision for gratuity (refer note 28)	5.25	34.66
Provision for compensated absences	7.95	59.45
	13.20	94.11

14 Other Liabilities

Current

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Statutory liabilities	135.44	56.53
Contract Liabilities (refer note below)	12.76	0.32
	148.20	56.85

Note:

Current Contract liabilities include advances received to deliver Port Operation Services and as well as transaction price allocated to unsatisfied performance obligation in respect of Storage and Dispatch services of Customers' Container lying at Port.

15 Trade Payables

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Total outstanding dues of micro enterprises and small enterprises (refer note 29)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	499.57	583.93
	499.57	583.93
Dues to related parties (refer note 32)	110.06	163.15

Note:

The carrying amounts of trade payables as at the reporting date approximate fair value. Also, refer note 24 for information about market risk.

16 Revenue from Operations

Revenue from Contract with Customers (refer note below)

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Income from Port Operations	1,496.21	12.86
Other Operating Income-Government Incentives on Services (refer note 2.2(p))	36.25	-
	1,532.46	12.86

Note:

Reconciliation of revenue recognised with contract price:

Particulars

Contract Price

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Adjustment for:		
Change in Consideration	(45.85)	(98.85)
Refund Liability	(534.82)	-
Change in value of Contract Assets	-	-
Change in value of Contract Liabilities	-	-
Revenue from Contract with Customers	1,496.21	79.71
Less: Capitalised during the year	-	(66.85)
Revenue from Contract with Customers recognised in the Statement of Profit and Loss	1,496.21	12.86

17 Other Income

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Interest Income on		
(i) Bank deposits	1.49	-
(ii) Others	2.66	486.10
Unclaimed liabilities / excess provision written back	14.66	-
Scrap sale	55.44	-
	74.25	486.10

18 Operating Expenses

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Cargo handling / Other charges to sub-contractors	161.76	9.78
Terminal Royalty Expenses	771.74	4.49
Power & Fuel	268.10	18.57
Store & Spares consumed (net of reimbursement)	19.94	-
Repairs to Plant & Machinery	11.21	0.14
Repairs to Buildings	1.14	-
	1,233.89	32.98

19 Employee Benefits Expense

Salaries, Wages and Bonus	
Contribution to Provident and Other Funds	
Gratuity Expenses (refer note 28)	
Staff Welfare Expenses	

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
985.15	92.84
32.86	2.82
2.49	2.22
51.71	2.86
1,072.21	100.74

20 Finance Costs

a) Interest and Bank Charges	
Interest on	
-Inter-Corporate Deposits	
-Buyers Credit	
Bank and other finance charges	
b) (Gain) / Loss on Derivatives / Swap Contracts (net)	

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
2,497.54	1,646.79
1,280.35	330.69
262.85	0.96
4,040.74	1,978.44
(726.28)	596.30
3,314.46	2,574.74

21 Other Expenses

Rent (refer note 31)	
Rates and Taxes	
Insurance	
Advertisement and Publicity	
Other Repairs and Maintenance	
Legal and Professional Expenses	
Payment to Auditors (refer note 1 below)	
Communication Expenses	
Electric Power Expenses	
Office Expenses	
Travelling and Conveyance	
Directors Sitting Fees	
Loss on sale of Inventory	
Loss on sale of Property, Plant and Equipment (net)	
Miscellaneous Expenses	

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
266.56	20.70
1.31	0.44
33.11	1.75
3.74	0.12
4.78	0.71
60.34	8.63
9.40	4.05
49.40	0.91
18.51	0.59
6.13	1.54
104.86	22.88
0.36	0.86
5.94	-
31.90	-
56.67	13.08
653.01	76.26

Note: 1

Payment to Auditor

As Auditor:

Audit fee	
Limited review	

In other Capacity

Certification Fees	
--------------------	--

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
8.19	3.90
0.15	0.15
1.06	-
9.40	4.05

22 Income Tax

(a)Balance Sheet Section

Advance income tax (net of provision)

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
263.31	246.57

(b)Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

	March 31, 2019		March 31, 2018	
	%	₹ in Lacs	%	₹ in Lacs
Loss Before tax		(10,888.25)		(2,642.30)
Tax using the Company's domestic rate	26.00	(2,830.95)	25.75	(680.39)
Tax Effect of:				
Unabsorbed Losses and Depreciation on which Deferred Tax Asset is not created	(26.00)	2,830.95	(25.75)	680.39
Tax expenses as per Books		-		-

(c)Deferred Tax (Liability)/Assets (net)

Deferred Tax Liability in relation to:

Property, Plant and Equipment

(A)

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
(20,036.78)	(1,342.03)
(20,036.78)	(1,342.03)

Deferred Tax Assets in relation to:

Unabsorbed Depreciation and losses	
Provision for gratuity	
Provision for compensated absences	
Provision for Bonus	

(B)

23,456.71	1,566.10
1.36	9.01
2.07	15.46
5.76	5.88
23,465.90	1,596.45

Deferred Tax (Liability)/Assets (net)

(A+B)

3,429.13	254.42
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Less:

Deferred Tax Assets not recognised (refer note below)

Deferred Tax (Liability)/Assets (net)

3,429.13	254.42
-	-

Note:

The company has carried forward unabsorbed depreciation aggregating ₹ 12.06 lacs (previous year ₹ 6,006.76 lacs) under the Income tax Act, 1961 for which there is no expiry date of its tax credit utilisation by the company. Further, the company has carried forward losses aggregating to ₹ 90,206.04 lacs (previous year ₹ 17.54 lacs) under the Income tax Act, 1961 which gets expired within 8 years of the respective year.

Deferred tax asset has not been recognised in respect of these unabsorbed depreciation and losses aggregating to ₹ 90,218.10 lacs as they may not be used to offset taxable profits of the company in future years and there are no other tax planning opportunities or other evidences of recoverability in the near future. If the company was able to recognise all unrecognised deferred tax assets, the loss would reduce by ₹ 3,429.13 lacs (previous year ₹ 254.42 lacs).

23 Financial Instruments, Fair value Measurement, Financial Risk & Capital Management

(a)Category-wise Classification of Financial Instruments:

₹ in Lacs

Particulars	Refer Note	As at March 31, 2019			
		Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset					
Trade receivables	4	-	-	750.89	750.89
Cash and Cash Equivalents	8	-	-	408.36	408.36
Other Financial Assets	5	-	-	48.48	48.48
		-	-	1,207.73	1,207.73
Financial Liabilities					
Borrowings(including current maturities)	11	-	-	72,478.71	72,478.71
Trade Payables	15	-	-	499.57	499.57
Other Financial Liabilities	12	-	326.06	3,065.09	3,391.15
		-	326.06	76,043.37	76,369.43

₹ in Lacs

Particulars	Refer Note	As at March 31, 2018			
		Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset					
Trade receivables	4	-	-	58.90	58.90
Cash and Cash Equivalents	8	-	-	1,030.86	1,030.86
Other Financial Assets	5	-	-	47.35	47.35
		-	-	1,137.11	1,137.11
Financial Liabilities					
Borrowings(including current maturities)	11	-	-	84,763.64	84,763.64
Trade Payables	15	-	-	583.93	583.93
Other Financial Liabilities	12	-	-	3,257.82	3,257.82
		-	-	88,605.39	88,605.39

(b)Fair Value Measurements

(i)Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

₹ in Lacs

Particulars	As at March 31, 2019	As at March 31, 2018
	Significant Observable Inputs(Level 2)	Significant Observable Inputs(Level 2)
Financial Liabilities		
Derivative Instruments (refer note 12)	326.06	-

(ii)Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

24 Financial Risk objective and policies

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

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) and other price risks such as equity price risk. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

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

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

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, short term investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2019. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

(i) Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease / increase by ₹ 172.96 lacs (previous year ₹ 196.13 lacs). This is mainly attributable to interest rates on variable rate long term borrowings.

(ii) Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on the Company's operating results. The Company manages its foreign currency risk by entering into currency swap for converting INR loan into other foreign currency for taking advantage of lower cost of borrowing in stable currency environment. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income) the Company has entered into foreign currency forward contracts as per the policy of the Company.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

The below table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of exposures hedged using forward exchange contracts are given as a part of Note 30(a) and the details of unhedged exposures are given as a part of Note 30(b).

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

Sr. no.	Particulars	₹ in Lacs	
		Impact on Profit before tax	
		For the year ended March 31, 2019	For the year ended March 31, 2018
1	USD Sensitivity		
	RUPEES / USD – Increase by 1%	(14.33)	(390.07)
	RUPEES / USD – Decrease by 1%	14.33	390.07
2	EUR Sensitivity		
	RUPEES / EUR – Increase by 1%	-	(0.02)
	RUPEES / EUR – Decrease by 1%	-	0.02

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company operates the port services and provide related infrastructure services, the Company is significantly dependent on such customers located at Ennore. Out of total revenue, the Company earns ₹ 1,428.40 lacs of revenue during the year ended March 31, 2019 (previous year Nil) from such port users which constitute 99.08% (previous year Nil). Accounts receivable from such customer approximated ₹ 749.99 lacs as at March 31, 2019 and Nil as at March 31, 2018. A loss of these customers could adversely affect the operating result or cash flow of the Company.

(c) Liquidity Risk

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

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

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

₹ in Lacs					
Particulars	Refer Note	On demand or within 1 year	Over 1 year Within 5 years	Over 5 years	Total
As at March 31, 2019					
Borrowings(including current maturities)	11	378.86	44,253.61	27,846.24	72,478.71
Trade Payables	15	499.57	-	-	499.57
Other Financial Liabilities	12	3,391.15	-	-	3,391.15
Total		4,269.58	44,253.61	27,846.24	76,369.43
As at March 31, 2018					
Borrowings(including current maturities)	11	-	84,763.64	-	84,763.64
Trade Payables	15	583.93	-	-	583.93
Other Financial Liabilities	12	3,257.82	-	-	3,257.82
Total		3,841.75	84,763.64	-	88,605.39

25 Earnings per share

Loss attributable to equity shareholders of the company
Weighted average number of equity shares
Basic and Diluted earnings per share (in ₹)

	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Loss attributable to equity shareholders of the company	(10,888.25)	(2,642.30)
Weighted average number of equity shares	147,299,315	50,000
Basic and Diluted earnings per share (in ₹)	(7.39)	(5,284.60)

26 Capital commitments

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	796.61	908.43

Other Commitments

The company had imported capital goods for its Container 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 ₹ 72,317.71 lacs (previous year ₹ 72,317.71 lacs) which is equivalent to 6 times of duty utilised ₹ 12,052.95 lacs (previous year ₹ 12,052.95 lacs). The export obligation has to be completed by 2019-20, 2020-21, 2021-22 and 2022-23.

27 Segment information

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

28 Disclosures as required by Ind AS - 19 Employee Benefits

- a) The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 31.19 lacs (previous year ₹ 2.64 lacs) as expenses under the following defined contribution plan.

Contribution to	₹ in Lacs	
	March 31, 2019	March 31, 2018
Provident Fund	31.19	32.36
Less: Capitalised during the year	-	(29.72)
Total Contribution	31.19	2.64

- b) The company has a defined benefit gratuity plan (funded) and is governed by the payment of Gratuity Act, 1972. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is funded with Life Insurance Corporation of India (LIC) in form of a qualifying insurance policy for future payment of gratuity to the employees.

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

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

c) Gratuity

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

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
Present value of the defined benefit obligation at the beginning of the year	38.31	25.42
Current service cost	1.96	10.20
Interest cost	0.82	1.93
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(0.63)	-
- change in financial assumptions	1.65	(1.07)
- experience variance	(2.73)	(1.26)
Benefits paid	(2.38)	-
Liability Transfer in	2.86	4.04
Liability Transfer out	(30.68)	(0.95)
Present value of the defined benefit obligation at the end of the year	9.18	38.31

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

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
Fair value of plan assets at the beginning of the year	3.65	-
Investment income	0.28	-
Contributions by employer	-	3.65
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Fair value of plan assets at the end of the year	3.93	3.65

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

Contribution to	₹ in Lacs	
	March 31, 2019	March 31, 2018
Present value of the defined benefit obligation at the end of the year	9.18	38.31
Fair value of plan assets at the end of the year	3.93	3.65
Amount recognised in the balance sheet	(5.25)	(34.66)
Net (liability)/asset - Current	(5.25)	(34.66)
Net (liability)/asset - Non-current	-	-

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

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
Current service cost	1.96	10.20
Net Interest cost on benefit obligation	0.53	1.93
Less: Capitalised during the year	-	(9.91)
Total Expenses included in employee benefits expense	2.49	2.22

e) Recognised in the other comprehensive income for the year

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
Actuarial (gain)/losses arising from:		
- change in demographic assumptions	(0.63)	-
- change in financial assumptions	1.65	(1.07)
- experience variance	(2.73)	(1.26)
Return on plan assets, excluding amount recognised in net interest expense	-	-
Recognised in comprehensive income	(1.71)	(2.33)

f) Maturity profile of Defined Benefit Obligation

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
Weighted average duration (based on discounted cashflows)	10 years	14 years

g) Sensitivity Analysis Method

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Quantitative sensitivity analysis for significant assumption is as below

Increase/(decrease) on present value of defined benefits obligation at the end of the year

Particulars	March 31, 2019		March 31, 2018	
	Discount rate			
	1% Increase	1% Decrease	1% Increase	1% Decrease
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(0.82)	0.95	(4.87)	5.79

Particulars	March 31, 2019		March 31, 2018	
	Salary Growth rate			
	1% Increase	1% Decrease	1% Increase	1% Decrease
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	0.94	(0.83)	5.78	(4.95)

Particulars	March 31, 2019		March 31, 2018	
	Attrition rate			
	50% Increase	50% Decrease	50% Increase	50% Decrease
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(0.39)	0.44	(1.09)	1.12

Particulars	March 31, 2019		March 31, 2018	
	Mortality rate			
Assumptions	10% Increase	10% Decrease	10% Increase	10% Decrease
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	-	-	0.01	(0.01)

h) Asset-Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

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

Particulars	March 31, 2019	March 31, 2018
Investments with insurer*	100%	100%

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

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

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.60%	7.80%
Rate of escalation in salary (per annum)	8.00%	7.00%
Mortality	India Assured Lives Mortality 2006-08	India Assured Lives Mortality 2006-08
Attrition rate	7.75%	10% for below 5 years and 1% thereafter

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

k) The expected cash flows of defined benefit Obligation over future periods (Valued on Undiscounted Basis)

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	0.28	0.36
Between 2 and 5 years	3.06	2.59
Between 6 and 10 years	3.98	15.10
Beyond 10 years	14.73	115.55
Total Expected Payments	22.05	133.60

The company expect to contribute ₹ 7.56 Lacs to the gratuity fund in the financial year 2019-20 (previous year ₹ 45.37 Lacs).

29 Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Sr No	Particulars	₹ in Lacs	
		Year ended March 31, 2019	Year ended March 31, 2018
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. Principal Interest	Nil Nil	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

30 Derivative instruments and unhedged foreign currency exposure

(a) The aggregate outstanding details of derivative transactions is as under:

Nature	Particulars of derivatives		Purpose
	As at March 31, 2019	As at March 31, 2018	
Forward Contract- Supplier's Credit	USD 48.30 Million	Nil	Hedging of equivalent foreign currency borrowing aggregate of ₹ 33,399.02 Lacs (previous year ₹ Nil)

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

Nature	As at March 31, 2019		As at March 31, 2018	
	Amount ₹ in Lacs	Foreign Currency In Million	Amount ₹ in Lacs	Foreign Currency In Million
Buyer's Credit	-	-	465.81	EURO 0.58
Buyer's Credit	1,193.65	USD 1.73	38,760.65	USD 59.47
Interest accrued but not due	-	-	2.31	EURO 0.00
Interest accrued but not due	239.70	USD 0.35	246.35	USD 0.38

Closing rates as at March 31, 2019:

INR / USD = ₹ 69.16
INR / EURO = ₹ 77.67

Closing rates as at March 31, 2018:

INR / USD = ₹ 65.18
INR / EURO = ₹ 80.81

31 Assets taken under Operating Leases

The company has been awarded Port premises land of 2,00,000 Sq Mt and Additional land of 19,780 Sq Mt as part of concession agreement with Kamarajar Port Limited for a period of 30 years. Expenses of ₹ 246.66 lacs (previous year ₹ 234.91 Lacs) have been incurred under such lease of which ₹ 246.66 Lacs (previous year ₹ 20.70 Lacs) have been charged to the Statement of Profit and Loss and balance portion has been capitalised.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Amount ₹ in Lacs	
	March 31, 2019	March 31, 2018
i) Not later than one year	258.99	246.65
ii) Later than one year and not later than five years	1,172.08	1,116.27
iii) Later than five years	10,929.63	11,244.43

32 Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Company for the year ended on March 31, 2019 for the purposes of reporting as per Ind AS 24 – Related Party Disclosures, which are as under:

Nature of Relationship	Name of the Company
Parent Company	Adani Ports and Special Economic Zone Limited
Fellow Subsidiaries	Adani Hazira Port Private Limited Adani Vizag Coal Terminal Private Limited Adani Vizhinjam Port Private Limited Karnavati Aviation Private Limited The Dhamra Port Company Limited Marine Infrastructure Developer Private Limited Adani Harbour Services Private Limited
Joint Venture of Parent Company	Adani International Container Terminal Private Limited
Entities over which major shareholders of the parent company are able to exercise significant influence through voting powers	Adani Enterprise Limited Adani Power Mundra Limited Adani - Elbit Advanced Systems India Limited Adani Power Rajasthan Limited
Key Managerial Personnel	1) G.J.Rao-Managing Director 2) Sandeep Mehta-Director 3) Karan Adani-Director 4) Chitra Bhatnagar-Independent Director(w.e.f. August 04, 2018) 5) Kunjal Mehta-Chief Financial Officer(w.e.f. August 04, 2018) 6) Paresh Patel-Company Secretary(w.e.f. May 25, 2019)

Notes:

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

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

Nature of transaction	Name of Related Party	₹ in Lacs	
		For the year ended March 31, 2019	For the year ended March 31, 2018
Equity Infusion	Adani Ports and Special Economic Zone Limited	19,195.00	-
Inter Corporate Deposit Received	Adani Ports and Special Economic Zone Limited	12,258.85	11,010.24
Inter Corporate Deposit Repaid	Adani Ports and Special Economic Zone Limited	19,909.99	13,817.15
Purchase of Project Material	Adani Ports and Special Economic Zone Limited	-	202.51
	Adani Vizag Coal Terminal Private Limited	-	28.47
Sale of Project Material	Adani Ports and Special Economic Zone Limited	176.09	-
Sale of Asset	Adani Vizag Coal Terminal Private Limited	6.19	-
Interest Expense	Adani Ports and Special Economic Zone Limited	2,497.55	3,243.37
Services rendered	Adani Harbour Services Private Limited	-	5.27
Services received	Karnavati Aviation Private Limited	-	1.10
	Adani Enterprise Limited	-	2.28
	Adani Power Mundra Limited	0.18	-
Director Sitting Fees	Jay H. Shah	-	0.47
	Birva Patel	-	0.47
	Chitra Bhatnagar	0.36	-
Remuneration	G.J.Rao	-	288.24

Closing Balances

Nature of outstanding balance	Name of Related Party	₹ in Lacs	
		As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on Borrowings	Adani Ports and Special Economic Zone Limited	2,247.79	2,919.04
Borrowings	Adani Ports and Special Economic Zone Limited	37,886.04	45,537.18
Other Current Assets	The Dhamra Port Company Limited	2.32	0.44
	Adani Harbour Services Private Limited	-	5.69
	Adani Power Rajasthan Limited	2.89	2.89
	Adani Enterprise Limited	0.23	-
	Adani Hazira Port Private Limited	-	1.30
Trade Payable	Adani Ports and Special Economic Zone Limited	33.17	159.89
	Adani Enterprise Limited	-	2.05
	Marine Infrastructure Developer Private Limited	74.11	-
	Adani - Elbit Advanced Systems India Limited	1.77	-
	Adani Logistics Limited	1.00	-
	Adani Harbour Services Private Limited	-	1.20

Terms and conditions of transactions with related parties

Outstanding balances of related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

33 Capital Management

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
Total Borrowings (refer note 11 and 12)	72,478.71	84,763.64
Less: Cash and Cash Equivalents (refer note 8)	408.36	1,030.86
Net debt (A)	72,070.35	83,732.78
Total Equity (B)	5,461.62	(2,653.26)
Total Equity and net debt (C=A+B)	77,531.97	81,079.52
Gearing ratio (A / C)	92.96%	103.27%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

34 Disclosure with regards to Changes in Liabilities arising from Financing Activities as per Ind AS 7 Statement of Cash Flows

Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses) is as under:

Changes in liabilities arising from financing activities

Particulars	₹ in Lacs				
	Balance as at April 01, 2018	Cash Flows	Foreign Exchange Movement	Charge to the statement of profit and loss during the period	Balance as at March 31, 2019
Buyers Credit	39,226.46	(6,808.17)	2,174.38	-	34,592.67
Inter Corporate Deposit	45,537.18	(7,651.14)	-	-	37,886.04
Derivative Contract	-	1,052.34	-	(726.28)	326.06
Interest Accrued but not due on Borrowings	3,167.70	(4,458.09)	-	3,777.89	2,487.50
Total	87,931.34	(17,865.06)	2,174.38	3,051.61	75,292.27

Particulars	₹ in Lacs				
	Balance as at April 01, 2017	Cash Flows	Foreign Exchange Movement	Charge to the statement of profit and loss during the period	Balance as at March 31, 2018
Buyers Credit	32,538.91	6,403.43	284.12	-	39,226.46
Inter Corporate Deposit	48,344.09	(2,806.91)	-	-	45,537.18
Derivative Contract	1,249.88	(1,846.18)	-	596.30	-
Interest Accrued but not due on Borrowings	437.80	752.80	-	1,977.10	3,167.70
Total	82,570.68	2,503.14	284.12	2,573.40	87,931.34

35 Contingent liabilities not provided for

		₹ in Lacs	
Sr No	Particulars	March 31, 2019	March 31, 2018
1	Wrongly availed and utilized cenvat credit on ineligible input services which were used in or in relation to the construction of container terminal	2,841.65	-
Total		2,841.65	-

36 Approval of financial statements

The financial statements were approved for issue by the board of directors on May 25, 2019.

37 Standards issued but not effective:

IndAS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term Of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition: Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as: Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The Company is evaluating the effect of adoption of Ind AS 116 applicable from April 1, 2019.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendment to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendment to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendment require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

38 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 25, 2019, there are no subsequent events to be recognised or reported that are not already disclosed.

For and on behalf of Board of Directors

G.J.Rao
Managing Director
DIN: 01724002

Karan Adani
Director
DIN: 03088095

Kunjai Mehta
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: May 25, 2019