INDEPENDENT AUDITOR'S REPORT

To The Members of Adani Kandla Bulk Terminal Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Adani Kandla Bulk 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, 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.

Emphasis of Matter

We draw attention to Note 31 of the financial statements of the Company, which describes the key sources of estimation uncertainties as at 31st March, 2019 relating to the recoverability of the carrying amount of property, plant and equipment and intangible assets amounting to Rs. 83,420.43 lacs of the Company.

Our opinion is not modified in respect of this matter.

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 comprises the information included in the Directors' Report including Annexures to Directors' Report, 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 judgment 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, there is no remuneration paid by the Company to its Directors during the year and hence provisions of Section 197 is not applicable to the Company.

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 has disclosed the impact of pending litigations on its financial position in its Financial Statements.
   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
   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)

Manoj H. Dama
(Partner)
(Membership No. 107723)

Place: Ahmedabad
Date: May 25, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADANI KANDLA BULK TERMINAL PRIVATE LIMITED

(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 Kandla Bulk Terminal Private Limited ("the Company") as of March 31, 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)

Manoj H. Dama
(Partner)
(Membership No. 107723)

Place: Ahmedabad
Date: May 25, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADANI KANDLA BULK TERMINAL PRIVATE LIMITED

Annexure referred to in 2 paragraph 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) According to the information and explanations given to us, the Company has developed cargo handling terminal under a Concession Agreement for a period of 30 years and are presented as intangible assets in accordance with the applicable accounting standards. The Company does not have any immovable properties of acquired freehold or leasehold land and building and hence, reporting under sub clause (c) of clause (i) 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. Accordingly, the provisions of sub clauses (a), (b) and (c) of clause (iii) of paragraph 3 of the Order are not applicable to the Company, and hence not commented upon.

(iv) The Company has not granted any loans, made investments or provided guarantees to which provisions of Section 185 or section 186 of the Companies Act, 2013 apply and hence reporting under clause (iv) of paragraph 3 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, clause (v) of paragraph 3 of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Port services. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(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, including Provident Fund, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities. Sales tax, Service tax, Excise duty and Value Added Tax are not applicable for the year ended on March 31, 2019.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable. Sales tax, Service tax, Excise duty and Value Added Tax are not applicable for the year ended on March 31, 2019.

(c) Details of dues of Service Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount Involved (Rs. in Lacs)**	**Amount Unpaid (Rs. in Lacs)**
Finance Act, 1994	Service Tax	Commissioner of Central GST, Ahmedabad	FY 2012-13 to 2016-17	1,894.34	1,894.34

There are no dues of Excise Duty, Sales Tax, Income Tax, Value Added Tax and Goods and Services Tax as at March 31, 2019 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(ix) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet, monies raised by way of term loans have been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) As per the information and explanations provided to us, the Company has not paid any managerial remuneration during the year. Accordingly, reporting under clause (xi) of paragraph 3 of the Order is not applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 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 and 177 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.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of CARO 2016 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)

Manoj H. Dama
(Partner)
(Membership No. 107723)

Place: Ahmedabad
Date: May 25, 2019

Adani Kandla Bulk Terminal Private Limited
Balance Sheet as at March 31, 2019

₹ in Lacs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-Current Assets			
Property, Plant and Equipment	3	1,357.91	1,461.55
Capital work-in-progress	3	208.37	273.66
Intangible Assets	3	82,062.52	87,457.08
Intangible Assets under Development	3	104.58	106.28
Financial Assets			
(i) Other Financial Assets	4	69.41	49.82
Other Non-Current Assets	5	5,375.45	5,149.27
		89,178.24	**94,497.66**
Current Assets			
Inventories	6	898.21	897.82
Financial Assets			
(i) Trade Receivables	7	2,798.43	1,598.95
(ii) Cash and Cash Equivalents	8	300.19	208.95
(iii) Other Financial Assets	4	9.06	983.02
Other Current Assets	5	1,300.00	4,437.91
		5,305.89	**8,126.65**
Total Assets		**94,484.13**	**1,02,624.31**
Equity And Liabilities			
Equity			
Equity Share Capital	9	12,005.00	12,005.00
Other Equity	10	(44,528.35)	(36,536.42)
Total Equity		**(32,523.35)**	**(24,531.42)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	1,16,462.43	1,10,612.88
(ii) Other Financial Liabilities	14	108.34	-
Deferred Tax Liabilities (net)	22	-	3,752.50
		1,16,570.77	**1,14,365.38**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	-	4,037.73
(ii) Trade and Other Payables			
a) Total outstanding dues of micro enterprises & small enterprises	13	42.93	-
b) Total outstanding dues of Creditors other than micro enterprises & small enterprises	13	2,191.00	1,610.47
(iii) Other Financial Liabilities	14	7,117.46	6,702.35
Other Current Liabilities	15	1,052.66	416.07
Provisions	12	32.66	23.73
		10,436.71	**12,790.35**
Total Liabilities		**1,27,007.48**	**1,27,155.73**
Total Equity and Liabilities		**94,484.13**	**1,02,624.31**

The accompanying notes form an integral part of the financial statements

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

For and on behalf of the Board of Directors

Avinash Rai
Managing Director
DIN: 08406981

Unmesh Abhyankar
Director
DIN : 03040812

Dinesh Birla
Chief Financial Officer

Vismay Shah
Company Secretary

Place: Ahmedabad
Date: May 25, 2019

Place: Ahmedabad
Date: May 25, 2019

Adani Kandla Bulk 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	12,293.90	10,753.85
Other Income	17	152.12	356.67
Total Income		**12,446.02**	**11,110.52**
EXPENSES			
Terminal Royalty Expense		3,759.90	2,684.61
Operating Expenses	18	5,589.28	4,452.85
Employee Benefits Expense	19	428.72	378.46
Depreciation and Amortization Expense	3	5,753.98	5,826.93
Finance Costs	20		
(i) Interest and Bank Charges		7,678.79	7,192.18
(ii) Derivative Loss (net)		-	11.19
Other Expenses	21	970.01	1,024.85
Total Expenses		**24,180.68**	**21,571.07**
(Loss) before Tax		**(11,734.66)**	**(10,460.55)**
Tax expense:			
Current Tax		-	-
Deferred Tax	22	(3,752.50)	934.30
Total Tax Expenses		**(3,752.50)**	**934.30**
(Loss) for the Year	(A)	**(7,982.16)**	**(11,394.85)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement (Loss)/gains on defined benefit plans		(9.77)	1.65
Income Tax Impact		-	(0.48)
Total Other Comprehensive Income (net of tax)	(B)	**(9.77)**	**1.17**
Total Comprehensive Income for the year	(A) + (B)	**(7,991.93)**	**(11,393.68)**
Earnings per share (Face value of ₹ 10 each)			
Basic and Diluted (in ₹)	23	**(6.65)**	**(9.49)**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Manoj H. Dama
Partner

Avinash Rai
Managing Director
DIN: 08406981

Unmesh Abhyankar
Director
DIN : 03040812

Dinesh Birla
Chief Financial Officer

Vismay Shah
Company Secretary

Place: Ahmedabad
Date: May 25, 2019

Place: Ahmedabad
Date: May 25, 2019

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

₹ in Lacs

Particulars	Equity Share Capital	Other Equity Reserve and Surplus Retained Earning	Total
Balance as at April 01, 2017	**12,005.00**	**(25,142.74)**	**(13,137.74)**
(Loss) for the Year	-	(11,394.85)	(11,394.85)
Other Comprehensive Income for the year	-	1.17	1.17
Total Comprehensive Income for the year	**-**	**(11,393.68)**	**(11,393.68)**
Balance as at March 31, 2018	**12,005.00**	**(36,536.42)**	**(24,531.42)**
(Loss) for the Year	-	(7,982.16)	(7,982.16)
Other Comprehensive Income for the year	-	(9.77)	(9.77)
Total Comprehensive Income for the year	**-**	**(7,991.93)**	**(7,991.93)**
Balance as at March 31, 2019	**12,005.00**	**(44,528.35)**	**(32,523.35)**

The accompanying notes form an integral part of the financial statements
As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

Place: Ahmedabad Date:
May 25, 2019

For and on behalf of the Board of Directors

Avinash Rai
Managing Director
DIN: 08406981

Unmesh Abhyankar
Director
DIN : 03040812

Dinesh Birla
Chief Financial Officer

Vismay Shah
Company Secretary

Place: Ahmedabad
Date: May 25, 2019

Adani Kandla Bulk Terminal Private Limited
Statement of Cash Flows for the year ended March 31, 2019

₹ in Lacs

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash Flows from Operating Activities**		
	(Loss) before Tax	(11,734.66)	(10,460.55)
	Adjustments for:		
	Loss on sale/Discard of Property, Plant and Equipment	0.86	15.59
	Depreciation and Amortisation Expense	5,753.98	5,826.93
	Interest Income	(107.59)	(298.55)
	Gain on Sale of Current Investments	(38.68)	(23.64)
	Interest expense	7,678.79	7,192.18
	Derivative Loss (net)	-	11.19
	Operating Profit before Working Capital Changes	**1,552.70**	**2,263.15**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	(1,199.48)	938.67
	(Increase)/Decrease in Inventories	(0.39)	30.90
	Decrease/(Increase) in Financial Assets	360.75	(388.25)
	Decrease/(Increase) in Other Assets	2,861.71	(382.69)
	Increase in Trade and Other Payables	623.46	232.41
	Increase/(Decrease) in Other Liabilities	636.59	(81.74)
	(Decrease) in Provision	(0.84)	(17.02)
	Increase in Financial Liabilities	107.06	0.77
	Cash Generated from Operations	**4,941.56**	**2,596.20**
	Direct taxes Refund/(paid)	50.02	(204.48)
	Net Cash generated from Operating Activities	**4,991.58**	**2,391.72**
B.	**Cash Flows from Investing Activities**		
	Purchase of Property, Plant and Equipment and Intangible Assets (including Capital Work-in-Progress, Intangible Asset under development, Capital Advance & Capital Creditors)	(226.89)	(1,180.24)
	Interest received	701.21	4.80
	Proceeds from sale of Investments in Mutual Fund (net) (refer note 2 below)	38.68	447.19
	Net Cash generated from/(used in) Investing Activities	**513.00**	**(728.25)**
C.	**Cash Flows from Financing Activities**		
	Repayment of Unsecured -Suppliers bills accepted under foreign currency letters of credit from Bank	-	(1,011.84)
	Proceeds from Inter-corporate Deposit (including short-term)	3,893.00	2,610.73
	Repayment of Inter-corporate Deposit (including short-term)	(2,081.18)	(1,906.20)
	(Loss) on settlement/cancellation of derivative contracts	-	(41.91)
	Interest paid	(7,225.16)	(1,167.08)
	Net Cash (used in) Financing Activities	**(5,413.34)**	**(1,516.30)**
D.	**Net Increase in Cash and Cash Equivalents (A + B + C)**	91.24	147.17
E.	**Cash and Cash Equivalents at the beginning of the Year**	208.95	61.78
F.	**Cash and Cash Equivalents at the end of the Year (refer note 8)**	**300.19**	**208.95**
	Component of Cash and Cash Equivalents		
	Balances with Scheduled Banks		
	-In current accounts	300.19	208.95
	Cash and Cash Equivalents at end of the year	**300.19**	**208.95**

Summary of significant accounting policies refer note 2.2

1 The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement 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 During the year, Company has made investment in Mutual Fund of ₹ 10,285 lacs (previous year ₹ 8,500 lacs) and redeemed Mutual Fund of ₹ 10,323.68 lacs (previous year ₹ 8,947.19 lacs)
3 Disclosure under Para 44A as set out in Ind AS 7 on statement of cash flow is given as per note 14(a).

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Manoj H. Dama
Partner

Avinash Rai
Managing Director
DIN: 08406981

Unmesh Abhyankar
Director
DIN : 03040812

Dinesh Birla
Chief Financial Officer

Vismay Shah
Company Secretary

Place: Ahmedabad
Date: May 25, 2019

Place: Ahmedabad
Date: May 25, 2019

1 Corporate information

Adani Kandla Bulk Terminal Private Limited ("AKBTPL") (the "Company") was incorporated on March 7, 2012. AKBTPL is a special purpose company promoted by Adani Ports and Special Economic Zone Limited. The Company is formed for developing a Dry Bulk Terminal Off Tekra near Tuna outside Kandla Creek at Kandla Port ("Project") on Build, Operate and Transfer ("BOT") basis for a period of 30 years. The registered office of the company is located at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat.

AKBTPL has been awarded Letter of Award dated February 23, 2012 for the Project from the Deendayal Port Trust. The Company has entered Concession Agreement on June 27, 2012 with Deendayal Port Trust. Subsequently, company has received award of concession by Deendayal Port Trust on December 19, 2012. The Company has commenced commercial operation from March 17, 2015.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2019.

2 Basis of preparation

2.1 These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act , 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

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).

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 the accounting policy hitherto in use.

In addition, the financial statements are presented in INR and all values are rounded to the nearest lacs with two decimal point 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) Foreign Currency Translation

(i) **Transactions and balances**

Transactions in foreign currencies are initially recorded by the company at functional currency spot rates at the date the transaction first qualifies for recognition.

(ii) **Conversion**

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

Non-monetary items which are carried at historical cost denominated in foreign currency are reported using exchange rate at the date of transaction.Non-monetary items which are measured at fair value denominated in foreign currency are translated using exchange rate at the date when fair value is determined.

(iii) **Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference(i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively)

c) Fair value measurement

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
-Financial instruments (including those carried at amortised cost) (refer note 28.1)

d) Revenue Recognition

(i) **Revenue from contract with customer**
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

(ii) **Service concession arrangements (Ind AS 115)**
Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

(iii) **Interest income**
For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate(EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where applicable, to the net carrying amount of the financial asset. Interest income is included under the head 'Other income' in the statement of profit and loss.

(iv) **Income from SEIS/SFIS**
Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 and Served from India Scheme ('SFIS') on some of the port services income are recognised as 'Other operating income' provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licenses are recognised as 'other assets'.

(v) **Port Operation Services**
Revenue from port operation services including cargo handling, storage are recognised in the accounting period in which the services transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services.
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 expect standalone selling price.

e) Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current and deferred income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Current and deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

f) Property, plant and equipment (PPE)

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, The company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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 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. The Identified component of property, plant and equipmens 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.

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

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

g) Port concession rights arising from Service Concession/Sub-Concession Arrangements:

The Company recognises port concession rights as "Intangible Assets" arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Company as part of the service concession arrangement. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction service delivered) and is capitalised when the project is complete in all respects and the Company receives the completion certificate from the authorities as specified in the concession agreement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with Appendix C of Ind AS 115 'Service Concession Arrangements'. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

The period of port concession arrangements is 30 years.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, 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.

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, other than port concession rights, is as follows:

Intangible Assets	Method of Amortisation	Estimated Useful life
Software applications	on straight line basis	5 Years based on management estimate

i) Borrowing Costs

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

j) Leases

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

Company as a lessee

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

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

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

k) Inventories

Inventories are valued at lower of cost or net realisable value.

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty payable.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

l) Impairment of non-financial assets

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

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

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

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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

m) Provisions, contingent liabilities, contingent assets and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. .When the company expects some or all of the provisions to be reimbursed, for example, under an Insurance contract, the reimbursement is recognised as separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Contingent assets are disclosed where inflow of economic benefits is probable.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities is disclosed in the case of :

a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

a present obligation arising from past events, when no reliable estimate can be made.

a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

n) Employees benefits

All employee benefits payable wholly within 12 months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Provident fund

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.

Gratuity fund

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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

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 under employee benefit 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

Compensated absences

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leaves, which is expected to be utilised within the next twelve months, is treated as short term employee benefits.

Termination Benefits, if any, are recognised as an expense as and when incurred.

o) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus in case of financial asset not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets.

Subsequent measurement

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

- Debt instruments at amortised cost
- Derivatives at fair value through profit or loss (FVTPL)

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.

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) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, :

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts 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 or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. 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.

q) 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.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference share dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.3 New and amended standards adopted by the Company

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

- Ind AS 115 - Revenue from Contracts with Customers
- Amendment to Ind AS 20, Accounting for Government Grants ans Disclosure of Government Assistance
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 28, Investment in Associates and Joint Ventures and Ind AS 112, Disclosure of Interest in Other Entities

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 statement of the Company. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and the current period.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Company's Ind AS Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, Management has made the following judgement, which has the most significant effect on the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

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

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 24.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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 DPT.

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

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.

Adani Kandla Bulk Terminal Private Limited
Notes to Financial Statements for the year ended March 31, 2019
3.Property,Plant and Equipment, Intangible Assets , Intangible Assets under development & Capital Work-in-Progress

Note 3 (a) : Property,Plant and Equipment & Intangible Assets

₹ in Lacs

Particulars	Property, Plant and Equipment						Intangible assets		
	Furniture & fixtures	Office equipment	Computer Hardware	Plant and Equipment-Windmill	Vehicles	Total PPE	Port Infrastructure Rights (refer note below)	Software	Total Intangible Assets
Cost									
As at April 1, 2017	108.34	322.37	204.51	1,031.09	104.19	**1,770.50**	1,03,502.05	41.05	**1,03,543.10**
Additions	-	-	2.57	99.11	0.62	**102.30**	271.60	-	**271.60**
Deductions/(Adjustment)	-	-	-	-	-	**-**	19.19	-	**19.19**
Exchange difference	-	-	-	-	-	**-**	26.44	-	**26.44**
As at March 31, 2018	108.34	322.37	207.08	1,130.20	104.81	**1,872.80**	1,03,780.90	41.05	**1,03,821.95**
Additions	0.67	55.56	19.67	-	-	**75.90**	146.94	33.80	**180.74**
Deductions/(Adjustment)	-	-	-	-	-	**-**	1.10	-	**1.10**
As at March 31, 2019	109.01	377.93	226.75	1,130.20	104.81	**1,948.70**	1,03,926.74	74.85	**1,04,001.59**
Depreciation/amortisation									
As at April 1, 2017	19.62	117.13	71.10	1.18	16.16	**225.19**	10,713.16	14.41	**10,727.57**
Depreciation for the year	11.05	66.38	36.70	58.98	12.95	**186.06**	5,632.49	8.38	**5,640.87**
Deductions/(Adjustment)	-	-	-	-	-	**-**	3.57	-	**3.57**
As at March 31, 2018	30.67	183.51	107.80	60.16	29.11	**411.25**	16,342.08	22.79	**16,364.87**
Depreciation for the year	11.06	63.90	32.66	58.95	12.97	**179.54**	5,565.32	9.12	**5,574.44**
Deductions/(Adjustment)	-	-	-	-	-	**-**	0.24	-	**0.24**
As at March 31, 2019	41.73	247.41	140.46	119.11	42.08	**590.79**	21,907.16	31.91	**21,939.07**
Net Block									
As at March 31, 2019	67.28	130.52	86.29	1,011.09	62.73	**1,357.91**	82,019.58	42.94	**82,062.52**
As at March 31, 2018	77.67	138.86	99.28	1,070.04	75.70	**1,461.55**	87,438.82	18.26	**87,457.08**

(i) Refer note 31 for Impairment evaluation of Port Infrastructure Rights
(ii) Refer footnote to note 11 for security/charges created on property,plant and equipment

Note 3 (b) : Capital Work-in-Progress

Particulars	₹ in Lacs
As at March 31, 2019	208.37
As at March 31, 2018	273.66

Note 3 (c) : Intangible Assets under development

Particulars	₹ in Lacs
As at March 31, 2019	104.58
As at March 31, 2018	106.28

4 Other Financial assets	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Non-current		
Security and other deposits (Unsecured and Considered Good)	69.41	49.82
	69.41	**49.82**
Current		
Security and other deposits (Unsecured and Considered Good)	-	3.85
Interest accrued on Advances given (refer note 26)	-	593.62
Non Trade Receivable		
- Related Parties (refer note 26)	-	370.64
Loans to Employees	9.06	8.26
Gratuity Assets (refer note 24)	-	6.65
	9.06	**983.02**

5 Other Assets	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Non-Current		
Prepaid Expenses	31.09	52.80
Export benefit receivable (also refer note 2.2 (d))	587.03	-
Balance with Goverment Authorities	4,181.62	4,470.74
Advance income tax (refer note 22)	575.71	625.73
	5,375.45	**5,149.27**
Current		
Advances recoverable other than in cash		
- Related Parties (refer note 26)	-	2,500.00
- others	95.86	160.62
	95.86	**2,660.62**
Others		
Prepaid Expenses	412.96	410.77
Contract Assets (refer note below)	45.80	282.21
Export benefit receivable (also refer note 2.2 (d))	555.43	929.96
Balances with Government authorities	189.95	154.35
	1,204.14	**1,777.29**
	1,300.00	**4,437.91**

Note:
Contract assets are the right to consideration in exchange for goods and services transferred to the customer. Contract assets are initially recognised for revenue earned from port operation services as receipt of consideration is conditional on successful completion of services. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables..

6 Inventories	**March 31, 2019**	**March 31, 2018**
(At lower of cost and Net realisable Value)	₹ in Lacs	₹ in Lacs
Stores and spares	898.21	897.82
	898.21	**897.82**

7 Trade Receivables (Unsecured, unless otherwise stated)	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Considered Good		
- Receivable from related parties (refer note 26)	503.86	1,257.18
- others	2,294.57	341.77
	2,798.43	**1,598.95**

Notes:

a) 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.

b) Generally, as per credit terms trade receivable are collectable within 30-60 days although the Company provide extended credit period considering business and commercial necessity to the customers including related parties.

8 Cash and cash equivalents	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Balances with banks:		
Balance in current account	300.19	208.95
	300.19	**208.95**

9 Equity Share Capital

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Authorised Shares Capital		
12,05,00,000 Equity Shares of ₹ 10 each (previous year 12,05,00,000 Equity Shares of ₹ 10 each)	12,050.00	12,050.00
	12,050.00	**12,050.00**
Issued, subscribed and fully paid up share capital		
12,00,50,000 Equity Shares of ₹ 10 each (previous year 12,00,50,000 Equity Shares of ₹ 10 each)	12,005.00	12,005.00
	12,005.00	**12,005.00**

Notes:

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

	March 31, 2019		March 31, 2018	
	No	**₹ in Lacs**	**No**	**₹ in Lacs**
At the beginning of the year	12,00,50,000	12,005.00	12,00,50,000	12,005.00
Add: New Shares Issued during the year	-	-	-	-
Outstanding at the end of the year	**12,00,50,000**	**12,005.00**	**12,00,50,000**	**12,005.00**

(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 the parent company is as below

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Adani Ports and Special Economic Zone Limited, the parent company and its nominees		
12,00,50,000 equity share (Previous year 12,00,50,000 equity share) of ₹ 10 each	12,005.00	12,005.00

(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 (Refer note below)	No in Lacs	1,200.50	1,200.50
	% Holding	100.00%	100.00%

During the year ended March 31, 2017, 31,213,000 numbers of equity shares of the Company held by Adani Enterprise Limited (AEL) has been transferred by AEL (Seller) to Adani Ports & Special Economic Zone Limited (Buyer). As per the Management, the transfer of shares has been recorded based on Irrevocable Letter of Affirmation dated March 31, 2017 from the Seller and acceptance by the Buyer, although legal transfer of such equity share is still in process.

10 Other Equity

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Retained Earning		
Opening Balance	(36,536.42)	(25,142.74)
Add:(Loss) for the year	(7,982.16)	(11,394.85)
Other Comprehensive Income for the year	(9.77)	1.17
Closing Balance	**(44,528.35)**	**(36,536.42)**

11 Borrowings

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
A. Long-Term Borrowings		
Secured-Inter corporate deposit from related party (refer note a & c)	1,05,000.00	1,05,000.00
Unsecured-Term loan from banks		
Unsecured - Inter Corporate Deposit from related party (refer note b & c)	11,462.43	5,612.88
Total Long-Term Borrowing	**1,16,462.43**	**1,10,612.88**
Non-Current Borrowing	**1,16,462.43**	**1,10,612.88**
B. Short-term borrowings		
Unsecured - Inter Corporate Deposit from related party (refer note b & c)	-	4,037.73
Current borrowing	**-**	**4,037.73**
The above amount includes		
Secured borrowings	1,05,000.00	1,05,000.00
Unsecured borrowings	11,462.43	9,650.61
Total borrowings (A + B)	**1,16,462.43**	**1,14,650.61**

Notes:

(a) Inter corporate deposit of ₹ 1,05,000.00 lacs (previous year ₹ 1,05,000.00 lacs) received from Adani Ports and Special Economic Zone Limited, the parent Company are secured by way of first pari passu charge by way of first mortgage of all the immovable assets of the Company, both present and future and are further secured by hypothecation of movable assets, both present and future of the Company. Charge on all the assets has been created through agreement in favour of Adani Ports and Special Economic Zone Limited. The outstanding balance as on March 31, 2019 will be repayable in November, 2029.
(b) Inter corporate deposit of ₹ 11,462.43 lacs (previous year ₹ 5,612.88 lacs) from Adani Ports and Special Economic Zone Limited, the parent Company is unsecured. ₹ 5,849.55 lacs repayable in September, 2021 and ₹ 5,612.88 lacs repayable in March, 2023.
(c) Inter corporate deposit is received from Adani Ports and Special Economic Zone Limited, the parent Company, at the interest rate of 7.50% p.a. (previous year 6.25% p.a.).

12 Provisions	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Current		
Provision for gratuity (refer note 24)	2.10	-
Provision for compensated absences	30.56	23.73
	32.66	**23.73**

13 Trade and Other Payables	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Payables to micro and small enterprises (refer note 29)	42.93	-
Other Trade payables	2,191.00	1,610.47
	2,233.93	**1,610.47**
Dues to related parties included in above (refer note 26)	164.96	183.60

14 Other financial liabilities	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Non-Current		
Capital creditors (Includes outstanding due to MSME creditors ₹ 108.34 lacs (refer note 29) (previous year Nil))	108.34	-
	108.34	**-**
Current		
Interest accrued but not due on borrowings (refer note 26)	6,906.89	6,453.26
Deposits from customers	0.77	2.05
Capital creditors, retention money and other payable (Includes outstanding due to MSME creditors ₹ 55.86 lacs (refer note 29)	209.80	247.04
	-	-
	7,117.46	**6,702.35**

Note: (a) Disclosure under Para 44A of Ind AS 7 - Statement of Cash Flows

The disclosure require entities to provide details of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for current year with comparative of previous year.

Changes in liabilities arising from financing activities **₹ in Lacs**

Particulars	April 1, 2018	Cash Flows	Finance Cost for the year	March 31, 2019
Long-term Borrowings	1,10,612.88	1,811.82	4,037.73	1,16,462.43
Short-term Borrowings	4,037.73	-	(4,037.73)	-
Interest accrued	6,453.26	(7,225.16)	7,678.79	6,906.89
TOTAL	**1,21,103.87**	**(5,413.34)**	**7,678.79**	**1,23,369.32**

Particulars	April 1, 2017	Cash Flows	Finance Cost for the year	March 31, 2018
Long-term Borrowings	1,10,564.72	48.16	-	1,10,612.88
Short-term Borrowings	4,393.20	(355.47)	-	4,037.73
Derivatives	30.72	(41.91)	11.19	-
Interest accrued	428.16	(1,167.08)	7,192.18	6,453.26
TOTAL	**1,15,416.80**	**(1,516.30)**	**7,203.37**	**1,21,103.87**

15 Other Liabilities	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Current		
Statutory liabilities	212.93	144.97
Contract Liabilities (refer note below)	839.73	271.10
	1,052.66	**416.07**

Note:

Contract liabilities includes advances received to deliver Port Operation Services and as well as transaction price allocated to unsatisfied performance obligation in respect of Cargo Handling services.

16 Revenue from Operations	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Revenue from contracts with Customers	11,624.30	10,153.48
Other operating income - Government Incentives on Services (refer note - 2.2 (d))	669.60	600.37
	12,293.90	**10,753.85**
a) Reconciliation of revenue recognised with contract price:		
Particulars		
Contract Price	12,502.97	10,509.01
Adjustment for:		
Refund Liability	(113.38)	(34.85)
Change in value of Contract Assets	(236.41)	236.72
Change in value of Contract Liabilities	(528.88)	(557.40)
Revenue from Contract with Customers	**11,624.30**	**10,153.48**

17 Other Income	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Interest Income from		
(i) Bank Deposits	1.41	0.86
(ii) Advances given	106.18	297.69
Scrap sale	5.69	25.17
Gain on Sale of Current Investments (Mutual Funds)	38.68	23.64
Miscellaneous Income	0.16	9.31
	152.12	**356.67**

18 Operating Expenses	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Cargo handling / other charges to Sub-Contractors	3,539.07	2,569.14
Other expenses including customs establishment charges	63.07	67.59
Store and Spares consumed	440.85	392.07
Power and Fuel (net of credit from Wind Power Generation ₹ 252.99 Lacs (previous year ₹ 256.68 Lacs))	746.29	621.24
Repairs and Maintenance	-	2.81
Waterfront Charges	800.00	800.00
	5,589.28	**4,452.85**

19 Employee Benefits Expense	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Salaries, Wages and Bonus	386.70	324.85
Contribution to Provident and Other Funds	17.61	16.04
Gratuity Expense (refer note 24)	5.08	5.52
Staff Welfare Expenses	19.33	32.05
	428.72	**378.46**

20 Finance Costs	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
a) Interest and Bank Charges		
Interest on		
Inter corporate Deposit	7,674.32	7,170.29
Buyer's Credit	-	7.59
Interest on TDS	-	8.44
Others	3.48	3.78
Bank and other finance charges	0.99	2.08
	7,678.79	**7,192.18**
b) Loss on Derivatives Contracts (net)	-	11.19
	7,678.79	**7,203.37**

21 Other Expenses	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Lease Rent-Land (Refer note (a) below)	110.64	110.64
Rates and Taxes	4.92	6.83
Insurance	69.75	31.03
Advertisement and Publicity	1.32	1.44
Other Repairs and Maintenance (net of reimbursement)	186.36	173.08
Corporate support service fee	51.73	40.44
Legal and Professional Expenses	131.77	238.38
Payment to Auditors (refer note (b) below)	11.38	8.95
Communication Expenses	8.44	9.86
Electric Power Expenses	1.28	1.14
Office Expenses	123.76	81.62
Travelling and Conveyance	158.81	146.54
Directors Sitting Fees	2.30	1.52
Charity & Donations	1.25	-
Loss on sale/Discard of Property, Plant and Equipment	0.86	15.59
Security Expenses	66.06	102.39
Miscellaneous Expenses	39.38	55.40
	970.01	**1,024.85**

Notes:

(a) Assets taken under operating Lease

The Company has been awarded Port premises land of 9,03,390 Sq Mt and Additional land of 1,62,955 Sq Mt as part of concession agreement with Kandla Port Trust for a period of 30 years. Expenses of ₹ 110.64 lacs (previous year ₹ 110.64 Lacs) incurred under such lease have been expensed in the Statement of Profit and Loss.

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

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
(i) Not later than one year	110.64	110.64
(ii) Later than one year and not later than five years	442.55	442.55
(iii) Later than five years	2,070.88	2,181.52

(b) Payment to Auditor	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
As Auditor:		
Audit fee	7.00	5.80
Limited review	3.00	3.00
In other Capacity		
Certification Fees	1.38	0.15
	11.38	**8.95**

22 Income Tax

The major components of income tax expenses for the year ended March 31, 2019 and March 31, 2018 are as under.

a) Profit and Loss Section	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Current income tax:		
Current tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(3,752.50)	934.30
Tax Expense reported in the Statement of Profit and Loss (a)	**(3,752.50)**	**934.30**

Other Comprehensive Income ('OCI') Section	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Deferred tax related to Net Gain on remeasurements of defined benefit plan (b)	-	0.48
Tax Expense reported in the OCI (b)	**-**	**0.48**
Total Tax Expenses (a+b)	**(3,752.50)**	934.78

b) Balance Sheet Section

	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Advance income tax (refer note 5)	575.71	625.73

c) 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
Profit Before tax		**(11,734.66)**		**(10,460.55)**
Tax using the Company's domestic rate	29.12	(3,417.13)	34.61	(3,620.19)
Tax Effect of:				
Effects of expenses that are not deductible in determining taxable profit	(0.40)	46.72	-	-
Effects of current year's unabsorbed depreciation and loss not recognised as deferred tax assets	(28.72)	3,370.41	(49.22)	5,148.17
Change in Tax Rates	-	-	6.79	(709.86)
Other Timing Differences	-	-	(1.11)	116.18
Effects of previously unrecognised and unused tax losses and unabsorbed depreciation now recognised as deferred tax assets	31.98	(3,752.50)	-	-
Effective tax rate	**31.98**	**(3,752.50)**	**(8.93)**	**934.30**
Tax expenses as per Books		**(3,752.50)**		**934.30**

d) Deferred Tax Liability (net)

	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Liability on Accelerated depreciation for tax purpose	(4,539.92)	(3,765.25)	(774.67)	(959.20)
Liability on unrealised exchange variation	-	-	-	24.84
Asset on remeasurement gain on defined benefit plan	15.26	12.59	2.67	(0.48)
Asset on Fair valuation of Deposits	0.56	0.16	0.40	0.06
Deferred tax Assets to the extent of Deferred tax Liability	4,524.10	-	4,524.10	-
	-	**(3,752.50)**	**3,752.50**	**(934.78)**

During the year, the Company has recognised the deferred tax assets to the extent of Deferred tax liability amounting to Rs. 4,524.1 lacs. The deferred tax assets have been recognised on unabsorbed depreciation and carry forward losses to the extent of deferred tax liability as the Company believes that it will be able to utilise deferred tax assets against future tax liability.

e) Reconciliation of Deferred tax liabilities (net)

	March 31, 2019 ₹ In Lacs	March 31, 2018 ₹ In Lacs
Tax income / (expenses) during the year recognised in Statement of Profit and Loss	3,752.50	(934.30)
Tax income / (expenses) during the year recognised in OCI	-	(0.48)
	3,752.50	(934.78)

f) The company has carried forward unabsorbed depreciation aggregating ₹ 49,752.23 lacs (previous year ₹ 41,069.55 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 ₹ 21,422.77 lacs (previous year ₹ 15,533.71 lacs) under the Income tax Act, 1961 which gets expired within 8 years of the respective year. The carried forward losses will get expired mainly during the financial year 2022-23 to 2024-25.

Deferred tax asset has been recognised to the extent of Deferred tax Liability in respect of these unabsorbed depreciation or carried forward losses as they may not be used to offset taxable profits of the company in future years given that company is also eligible to avail tax deduction under section 80 IA of the Income Tax Act, 1961 in 10 years out of initial period of 15 years in which Company commence the operation 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 have reduced by ₹ 16,202.06 lacs (previous year ₹ 16,481.67 lacs).

23 Earnings per share (EPS)

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
(Loss) attributable to equity shareholders of the company	(7,982.16)	(11,394.85)
Weighted average number of equity shares in calculating basic and diluted EPS	12,00,50,000	12,00,50,000
Basic and Diluted earning per share (in ₹)	(6.65)	(9.49)

24 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 ₹ 16.55 lacs (previous year ₹ 15.43 lacs) as expenses under the following defined contribution plan.

₹ in Lacs

Contribution to	2018-19	2017-18
Provident Fund	16.55	15.18
Superannuation Fund	-	0.25
Total	**16.55**	**15.43**

b) The company has a defined 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: ₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Present value of the defined benefit obligation at the beginning of the year	37.95	48.57
Current service cost	5.62	5.00
Interest cost	2.94	3.69
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(1.33)	-
- change in financial assumptions	7.95	(0.96)
- experience variance	2.60	(1.13)
Benefits paid	-	(0.98)
Liability Transfer in	1.18	6.09
Liability Transfer out	(1.37)	(22.33)
Present value of the defined benefit obligation at the end of the year	**55.54**	**37.95**

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

Particulars	March 31, 2019	March 31, 2018
Fair value of plan assets at the beginning of the year	44.60	41.81
Investment income	3.48	3.17
Contributions by employer	5.91	0.30
Benefits paid	-	(0.24)
Return on plan assets , excluding amount recognised in net interest expense	(0.55)	(0.44)
Fair value of plan assets at the end of the year	**53.44**	**44.60**

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

Contribution to	March 31, 2019	March 31, 2018
Present value of the defined benefit obligation at the end of the year	55.54	37.95
Fair value of plan assets at the end of the year	53.44	44.60
Amount recognised in the balance sheet	(2.10)	6.65
Net (liability)/asset - Current	(2.10)	6.65

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

Particulars	March 31, 2019	March 31, 2018
Current service cost	5.62	5.00
Interest cost/(Income) on benefit obligation/(asset)	(0.54)	0.52
Total Expenses included in employee benefits expense	**5.08**	**5.52**

e) Recognised in the other comprehensive income for the year ₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Actuarial (gain)/losses arising from		
- change in demographic assumptions	(1.33)	-
- change in financial assumptions	7.95	(0.96)
- experience variance	2.60	(1.13)
Return on plan assets, excluding amount recognised in net interest expense	0.55	0.44
Recognised in comprehensive income	**9.77**	**(1.65)**

f)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	Indian assured mortality table 2006-08	Indian assured mortality table 2006-08
Attrition rate	7.75%	10% for 5 below 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.

g)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.

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.

h) 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**	
Assumptions	**Discount rate**			
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(4.05)	4.63	(4.34)	5.18

Particulars	**March 31, 2019**		**March 31, 2018**	
Assumptions	**Salary Growth rate**			
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	4.56	(4.07)	5.17	(4.40)

Particulars	**March 31, 2019**		**March 31, 2018**	
Assumptions	**Attrition rate**			
Sensitivity level	**50% Increase**	**50% Decrease**	**50% Increase**	**50% Decrease**
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(0.66)	0.83	(0.13)	0.13

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

* Figures being nullified on conversion to ₹ in lacs.

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) Maturity profile of Defined Benefit Obligation

Particulars	**March 31, 2019**	**March 31, 2018**
Weighted average duration (based on discounted cash flows)	8 years	13 years

j) The expected cash flows of defined benefit Obligation over future periods (Valued on Undiscounted Basis) ₹ in Lacs

Particulars	**March 31, 2019**	**March 31, 2018**
Within the next 12 months (next annual reporting period)	6.01	0.55
Between 2 and 5 years	24.64	13.21
Between 5 and 10 years	23.49	11.75
Beyond 10 years	62.25	99.21
Total Expected Payments	**116.39**	**124.72**

25 Segment information

The Company is primarily engaged in the business of developing, operating and maintaining the port based terminal infrastructure facilities. The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. There being no business outside India, the entire business has been considered as single geographic segment (refer note 28.3 (b)).

26 Related Party Disclosures

The Management has identified the following entities as related parties of the Company for the year ended 31st March, 2019 for the purposes of reporting as per IND AS 24 – Related Party Transactions, which are as under:

Criteria	Name of the Company

A. Related parties where control exists.

Parent Company	Adani Ports And Special Economic Zone Limited

B. Related parties with whom transactions have been taken place during the year.

Fellow Subsidiary	Adani Logistics Limited
	Adani Vizag Coal Terminal Private Limited
	The Dhamra Port Company Limited
	Shanti Sagar International Dredging Private Limited
	Adani Hospitals Mundra Private Limited
	Adani Petronet (Dahej) Port Private Limited
	Adani Murmugao Port Terminal Private Limited
	Adani Hazira Port Private Limited
Entities over which major shareholders of the parent company are able to exercise control or significant influence through voting powers	Adani Enterprises Limited
	Adani Power Limited
	Adani Power Rajsthan Limited
	Udipi Power Corporation Limited
	Adani CMA Mundra Terminal Private Limited
	Adani Bunkering Private Limited
	Adani International Container Terminal Private Limited
	Adani Wilmar Limited
Key Managerial Personnel	Mr. Jay H. Shah -Non Executive Director
	Ms. Birva Patel - Non Executive Director (up to April 04, 2019)
	Mr. Ennarasu Karunesan -Managing Director (up to March 30, 2019)
	Mr. Avinash Rai -Managing Director (Appointed w.e.f. March 30, 2019)
	Capt. Unmesh Abhyankar -Executive Director
	Mr. Karan Adani -Executive Director
	Mr. Dinesh Birla-Chief Financial Officer
	Mr. Manish Kumar Agarwal- Company Secretary (up to January 24, 2018)
	Vismay Shah -Company Secretary (Appointed w.e.f. April 08, 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.

₹ in Lacs

Category	Name of Related Party	March 31, 2019	March 31, 2018
Borrowings (Loan taken)	Adani Ports and Special Economic Zone Limited	3,893.00	2,610.73
Borrowings (Loan repaid)	Adani Ports and Special Economic Zone Limited	2,081.18	1,906.20
Purchase of services	Adani Ports and Special Economic Zone Limited	19.22	9.88
	Adani Enterprises Limited	51.73	40.44
	Adani Hospitals Mundra Private Limited	0.09	3.29
	Shanti Sagar International Dredging Private Limited	10.00	-
	Adani Hazira Port Private Limited	18.00	18.09
Purchase of materials	Adani Ports and Special Economic Zone Limited	17.67	12.04
	Adani Power Limited	-	16.16
	Adani Hazira Port Private Limited	0.13	0.27
	Adani Petronet Dahej Port Private Limited	0.74	-
	Adani Murmugao Port Terminal Private Limited	-	5.66
	Adani Hospitals Mundra Private Limited	1.42	3.29
Recovery of Expense	Adani Logistics Limited	-	(45.49)
Rendering of services	Adani Ports and Special Economic Zone Limited	275.47	-
	Adani Enterprises Limited	1,192.30	-
	Adani Logistics Limited	260.76	4,497.77
	Adani Wilmar Limited	92.49	260.44
Interest Expenses	Adani Ports and Special Economic Zone Limited	7,674.32	7,170.29

Sale of materials	Adani Ports and Special Economic Zone Limited	17.57	12.75
	The Dhamra Port Company Limited	2.38	-
	Adani Power Rajsthan Limited	2.83	-
	Udipi Power Corporation Limited	2.35	-
	Adani CMA Mundra Terminal Private Limited	0.49	-
	Adani International Container Terminal Private Limited	0.07	0.20
	Adani Hazira Port Private Limited	7.73	-
Sale of other Asset	Adani Ports and Special Economic Zone Limited	-	171.08
	Adani Vizag Coal Terminal Private Limited	-	199.56
	Adani Wilmar Limited	457.10	-
Interest Income	Adani Bunkering Private Limited	73.24	293.75
Refund of Advances to Supplier	Adani Bunkering Private Limited	2,500.00	-
Sitting Fees	Mr. Jay H. Shah	1.25	0.93
	Ms. Birva Patel	1.05	0.59

Closing Balances

₹ in Lacs

Category	Name of Related Party	March 31, 2019	March 31, 2018
Inter corporate loan (Non-current)	Adani Ports and Special Economic Zone Limited	1,16,462.43	1,10,612.88
Inter corporate loan (current)	Adani Ports and Special Economic Zone Limited	-	4,037.73
Trade payables	Adani Ports and Special Economic Zone Limited	16.13	36.12
	Adani Logistics Limited	124.26	124.26
	Adani Enterprises Limited	12.87	11.13
	Shanti Sagar International Dredging Private Limited	11.60	-
	Adani Hospitals Mundra Private Limited	0.10	1.60
	Adani Hazira Port Private Limited	-	10.49
Interest accrued but not due	Adani Ports and Special Economic Zone Limited	6,906.89	6,453.26
Advances to Supplier	Adani Bunkering Private Limited	-	2,500.00
Interest Accrued	Adani Bunkering Private Limited	-	593.62
Trade receivable	Adani Ports and Special Economic Zone Limited	198.75	14.14
	Adani Enterprises Limited	302.31	-
	Udipi Power Corporation Limited	2.77	-
	Adani International Container Terminal Private Limited	0.03	-
	Adani Logistics Limited	-	1,243.04
Non Trade receivable	Adani Ports and Special Economic Zone Limited	-	171.08
	Adani Vizag Coal Terminal Private Limited	-	199.56

Terms and conditions of transactions with related parties

1. 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 due from 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.

2. Inter corporate deposit is received from Adani Ports and Special Economic Zone Limited, the parent Company, at the interest rate of 7.50% p.a. (previous year 6.25% p.a.).

3. Managing Director, Executive Directors, Chief Financial Officer and Company Secretary of the company is in employment with the parent company, Adani Ports and Special Economic Zone Limited and they are paid remuneration by the parent company.

4. The company has issued bank guarantees of ₹ 439. 38 lacs (previous year ₹ 439.38 lacs) out of the limits available with the parent company.

27 Unhedged foreign currency exposure

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	Foreign Currency	Amount	Foreign Currency
	₹ in Lacs	In Million	₹ in Lacs	In Million
Advances recoverable other than in cash	0.05	EUR #	9.25	EUR 0.01
Other current financial Liabilities	0.38	GBP #	-	-
Other current financial Liabilities	3.39	USD #	3.19	USD #
Other current financial Liabilities	*	#	6.72	EUR 0.01

Figures being nullified on conversion to foreign currency in million.

* Figures being nullified on conversion to ₹ in Lacs.

Closing rates as at :

	March 31, 2019	March 31, 2018
INR / USD	69.16	65.18
INR / EUR	77.67	80.81
INR / GBP	90.53	92.28

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

28.1 Category-wise Classification of Financial Instruments:

₹ in Lacs

Particulars	Refer Note	As at March 31, 2019		
		Fair Value through Profit & Loss or OCI	Amortised Cost	Carrying Value
Financial Asset				
Trade receivables	7	-	2,798.43	2,798.43
Cash and Cash Equivalents	8	-	300.19	300.19
Others Financial Assets	4	-	78.47	78.47
Total		**-**	**3,177.09**	**3,177.09**
Financial Liabilities				
Borrowings	11	-	1,16,462.43	1,16,462.43
Trade Payables	13	-	2,233.93	2,233.93
Other Financial Liabilities	14	-	7,225.80	7,225.80
Total		**-**	**1,25,922.16**	**1,25,922.16**

₹ in Lacs

Particulars	Refer Note	As at March 31, 2018		
		Fair Value through Profit & Loss or OCI	Amortised Cost	Carrying Value
Financial Asset				
Trade receivables	7	-	1,598.95	1,598.95
Cash and Cash Equivalents	8	-	208.95	208.95
Others Financial Assets	4	-	1,032.84	1,032.84
Total		**-**	**2,840.74**	**2,840.74**
Financial Liabilities				
Borrowings	11	-	1,14,650.61	1,14,650.61
Trade Payables	13	-	1,610.47	1,610.47
Other Financial Liabilities	14	-	6,702.35	6,702.35
Total		**-**	**1,22,963.43**	**1,22,963.43**

28.2 Fair Value Measurements :

a) 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.

28.3 Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprises loans, 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 investment including mutual funds, trade and other receivables, and cash and cash equivalents . 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) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Parent Company's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

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

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the 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 and period of borrowings. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not have any long-term debt obligations having floating interest rates as at year ended March 31, 2018 and March 31, 2019

(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 various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables.

The details of unhedged exposures are given as part of Note 27.

The Company is mainly exposed to changes in USD & 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.

₹ in Lacs

Particulars	Impact on profit before tax	
	For the year ended March 31, 2019	For the year ended March 31, 2018
USD Sensitivity		
RUPEES / USD – Increase by 1%	(0.03)	(0.03)
RUPEES / USD – Decrease by 1%	0.03	0.03
EURO Sensitivity		
RUPEES / EURO – Increase by 1%	-	0.03
RUPEES / EURO – Decrease by 1%	-	(0.03)

(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.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company operates the port services and related infrastructure at Kandla, the Company is significantly dependent on cargo from or to few large port user customers. Out of total revenue, the Company earns ₹ 5,247.39 Lacs of revenue during the year ended March 31, 2019 (previous year ₹ 4,497.77 lacs) from such port user which constitute 45.14% (previous year 41.82%). Accounts receivable from such customers approximated ₹ 1,492.63 lacs as at March 31, 2019.(previous year ₹ 1,243.04 lacs) 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	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2019					
Borrowings	-	-	11,462.43	1,05,000.00	1,16,462.43
Trade Payables	-	2,233.93	-	-	2,233.93
Other Financial Liabilities	-	7,117.46	108.34	-	7,225.80
Total	-	**9,351.39**	**11,570.77**	**1,05,000.00**	**1,25,922.16**
As at March 31, 2018					
Borrowings	-	4,037.73	5,612.88	1,05,000.00	1,14,650.61
Trade Payables	-	1,610.47	-	-	1,610.47
Other Financial Liabilities	-	6,702.35	-	-	6,702.35
Total	-	**12,350.55**	**5,612.88**	**1,05,000.00**	**1,22,963.43**

28.4 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity. The primary objective of the company's capital management is to maximize shareholder value long term and short term goal of the Company. 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.

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Total Borrowings (refer note 11)	1,16,462.43	1,14,650.61
Less: Cash and cash equivalents (refer note 8)	300.19	208.95
Net Debt (A)	**1,16,162.24**	**1,14,441.66**
Total Equity (B)	**(32,523.35)**	**(24,531.42)**
Total Equity and Net Debt (C = A + B)	**83,638.89**	**89,910.24**
Gearing ratio (A/C)	139%	127%

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.

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

₹ in Lacs

Sr No	Particulars	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 (refer note 13 & 14) Interest	 207.13 -	 - -
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	-	-
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.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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.	-	-

30 As at March 31, 2019, the Company has incurred net loss of ₹ 7,991.93 lacs (March 31, 2018 ₹ 11,393.68 lacs) and has accumulated losses of ₹ 44,528.35 lacs. (March 31, 2018 ₹ 36,536.42 lacs) which has resulted in erosion of the Company's net worth. This being an infrastructure project having long gestation period, the management expects that there will be significant increase in the operations of the Company that will lead to improved cash flows and long term sustainability. Adani Ports and Special Economic Zone Limited, the Parent Company has undertaken to provide such financial support as necessary, to enable the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a 'going concern' basis.

31 The Company has determined the recoverable amounts of the Property, Plant and Equipment & Intangible Assets comprising of service concession rights over its useful life under Ind AS 36, Impairment of Assets based on the estimates relating to cargo traffic, port tariffs, inflation, discount rate, revenue share on income etc which are considered reasonable by the Management. The company has received relaxation in the form of rationalisation of revenue share from storage income from Port Trust in accordance with guidelines from MOS. This will result in improving the operating efficiency and ultimately result in generation of cash and able to meet its financial obligation. On a careful evaluation of the aforesaid factors, the Management of the Company has concluded that the Recoverable Amounts of the Property, Plant and Equipment & Intangible Assets is higher than their carrying amounts as at 31st March, 2019.

32 Capital commitments & other commitment

Capital commitments

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	81.39	168.67

Other commitment

Apart from above, the company had entered into a long-term arrangement for purchasing diesel in previous year. The company had given interest bearing advance of Nil (previous year ₹ 2,500 Lacs) as per the agreement.

33 Contingent liabilities not provided for

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Show cause notice received from Commissioner of Central GST, Ahmedabad in respect of wrong availment of CENVAT credit on Steel,cement & input Services used in Works Contract Service by the Company during financial year 2012-13 to 2016-17. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	1,894.34	-

34 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2019. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended the following standards:

Ind AS 116 Leases : On March 30, 2019,Ministry of Corporate Affairs has notified IndAS 116, Leases. IndAS 116 will replace the existing leases Standard, IndAS 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. IndAS 116 introduces a single lessee accounting model and requires leasee 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 & 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 in the process of evaluating the requirements of the standard and its impact on its financial statements.

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 if any 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 amendments 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 standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement : On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments 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.
These amendments are effective for annual periods beginning on or after April 01, 2019. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.
These amendments does not have material impact on Company's financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

35 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

Avinash Rai
Managing Director
DIN: 08406981

Unmesh Abhyankar
Director
DIN : 03040812

Dinesh Birla
Chief Financial Officer

Vismay Shah
Company Secretary

Place: Ahmedabad
Date: May 25, 2019