

INDEPENDENT AUDITOR'S REPORT

To The Members of Adani Murmugao Port Terminal Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Adani Murmugao Port Terminal Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 March 31, 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.

Material uncertainty related to Going Concern

We draw attention to Note 37 to the financial statements, which indicates that the Company incurred a net loss of Rs. 10,338.74 lakhs during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 10,089.66 lakhs, and the accumulated losses of Rs. 23,972.65 lakhs in Other Equity exceeded the Equity Share Capital of Rs.11,588.85 lakhs resulting in the net worth being negative at Rs. 12,383.80 lakhs as represented by Total Equity. As stated in the said Note, these events or conditions along with other matters as set forth in Note 39 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matters

- i) We draw attention to Note 38 of the financial statements of the Company, which describes the key sources of estimation uncertainties as at March 31, 2019 relating to the recoverability of the carrying amount of Property, plant and

equipment and intangible assets amounting to Rs. 35,541.46 lakhs of the Company.

- ii) We draw attention to Note 39 to the financial statements, which describes the basis and adequacy for recognition of provision for expenses of Rs.7,261.86 lacs during the year ended March 31, 2019 in respect of revenue share on storage charges payable to Mormugao Port Trust as per the Concession Agreement.

Our opinion is not modified in respect of these matters.

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

- The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) The matter described in the Material uncertainty related to Going Concern section and Emphasis of Matters above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - h) 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.
 - i) 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 24, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADANI MURMUGAO PORT 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 Murmugao Port 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 March 31, 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 24, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADANI MURMUGAO PORT TERMINAL PRIVATE LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of fixed assets :
 - (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 coal 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 of the Companies Act, 2013 or any other relevant provisions of the Act and 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 Lakhs)	Amount Unpaid (Rs. In Lacs)
Finance Act, 1994	Service Tax	Adjudication Authority	July 2012 to March 2017	231.16	231.16
		Adjudication Authority	April 2017 to June 2017	86.32	86.32

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 as at the reporting date. Hence reporting under clause (viii) of paragraph 3 of the Order 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 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.
- (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 paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place: Ahmedabad
Date: May 24, 2019

Adani Murmugao Port Terminal Private Limited
Balance Sheet as at March 31, 2019

Particulars	Notes	` in Lacs	
		As at March 31, 2019	As at March 31, 2018
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3(a)	121.46	208.52
(b) Intangible assets	3(b)	35,420.00	37,889.46
(c) Financial assets			
(i) Other non-current financial assets	6	150.00	150.00
(d) Other non-current assets	7	1,708.32	1,790.29
Total non-current assets		37,399.78	40,038.27
2 Current assets			
(a) Inventories	8	159.12	212.52
(b) Financial assets			
(i) Investments	4	60.15	-
(ii) Trade receivables	5	1,057.11	197.67
(iii) Cash and Cash Equivalents	9	155.06	98.32
(iv) Other current financial assets	6	3.49	3.33
(c) Other current assets	7	1,916.42	1,990.13
Total current assets		3,351.35	2,501.97
Total Assets		40,751.13	42,540.24
EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	10	11,588.85	11,588.85
(b) Other equity	11	(23,972.65)	(13,628.94)
Total equity		(12,383.80)	(2,040.09)
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	39,365.77	39,898.65
(b) Other non-current liabilities	15	328.15	363.30
Total non-current liabilities		39,693.92	40,261.95
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	-	1,375.01
(ii) Trade payables	16		
- total outstanding dues of micro enterprises and small enterprises		0.51	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		7,814.35	292.82
(iii) Other current financial liabilities	13	5,118.67	2,509.80
(b) Other current liabilities	15	430.96	83.05
(c) Provisions	14	76.52	57.70
Total current liabilities		13,441.01	4,318.38
Total liabilities		53,134.93	44,580.33
Total equity and liabilities		40,751.13	42,540.24

The accompanying notes form an integral part of financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Manoj H. Dama
Partner

G.J.Rao
Managing Director
DIN: 01724002

Subrat Tripathy
Director
DIN : 06890393

Haresh Bhuvra
Company Secretary

Ganesh Poojary
Chief Financial Officer

Place: Ahmedabad
Date: May 24, 2019

Place: Ahmedabad
Date: May 24, 2019

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

Particulars	Notes	` in Lacs	
		March 31, 2019	March 31, 2018
REVENUE			
Revenue from operations	17	11,170.46	3,411.90
Other income	18	72.00	129.04
Total Revenue		11,242.46	3,540.94
EXPENSES			
Operating expenses	19 & 39	11,663.27	1,783.05
Employee benefits expense	20	453.63	359.18
Depreciation and amortization expense	3(a,b)	2,794.07	2,749.52
Finance costs	21	5,424.39	2,564.33
Other expenses	22	1,245.84	1,047.29
Total expense		21,581.20	8,503.37
(Loss) before tax		(10,338.74)	(4,962.43)
Tax expense:			
Current Tax	23	-	-
Deferred Tax	23	-	-
Income tax expense		-	-
(Loss) for the year		(10,338.74)	(4,962.43)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		(4.97)	0.30
Total Other comprehensive income (net of tax)		(4.97)	0.30
Total comprehensive income for the year		(10,343.71)	(4,962.13)
Basic and diluted earnings per equity shares (in `) face value of ` 10 each	27	(8.92)	(4.28)

The accompanying notes form an integral part of financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Manoj H. Dama
Partner

G.J.Rao
Managing Director
DIN: 01724002

Subrat Tripathy
Director
DIN : 06890393

Haresh Bhuva
Company Secretary

Ganesh Poojary
Chief Financial Officer

Place: Ahmedabad
Date: May 24, 2019

Place: Ahmedabad
Date: May 24, 2019

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

in Lacs

Particulars	Equity Share Capital	Other Equity		Total
		Reserves and Surplus		
		Retained Earning		
As at April 01, 2017	11,588.85	(8,666.81)		2,922.04
(Loss) for the year	-	(4,962.43)		(4,962.43)
Other Comprehensive Income	-	0.30		0.30
As at March 31, 2018	11,588.85	(13,628.94)		(2,040.09)
(Loss) for the year	-	(10,338.74)		(10,338.74)
Other Comprehensive Income	-	(4.97)		(4.97)
Total Comprehensive Income for the year	-	(10,343.71)		(10,343.71)
As at March 31, 2019	11,588.85	(23,972.65)		(12,383.80)

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

G.J.Rao
Managing Director
DIN: 01724002

Subrat Tripathy
Director
DIN : 06890393

Haresh Bhuvra
Company Secretary

Ganesh Poojary
Chief Financial Officer

Place: Ahmedabad
Date: **May 24, 2019**

Place: Ahmedabad
Date: **May 24, 2019**

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

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Cash flow from operating activities		
(Loss) before tax as per statement of profit and loss	(10,338.74)	(4,962.43)
Adjustments for:		
(Gain) on sale / discard of fixed assets (net)	(0.50)	8.29
Unclaimed liabilities/ Excess provision written back	-	(46.69)
Depreciation and amortisation	2,794.07	2,749.52
Interest income	-	(13.12)
Net (gain)/loss on sale of current investments	(0.15)	-
Amortisation of Government Grant	(35.15)	(35.15)
Finance costs	5,424.39	2,564.33
Operating profit before working capital changes	(2,156.08)	264.75
Movements in working capital :		
Decrease/(Increase) in trade receivables	(859.44)	981.29
Decrease/(Increase) in inventories	53.40	534.03
(Increase)/Decrease in financial assets	(0.16)	(123.81)
Decrease/(Increase) in other assets	283.56	64.63
(Decrease)/Increase in trade payables	7,522.04	(181.76)
(Decrease)/Increase in other liabilities	366.73	(50.01)
Cash generated from operations	5,210.05	1,489.12
Direct taxes paid (net)	(129.10)	(30.42)
Net cash generated from operating activities (A)	5,080.95	1,458.70
Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work In progress and capital advances)	(217.14)	(826.28)
Investment in mutual fund	(60.15)	-
Proceeds from sale of Assets	0.50	7.02
Interest received	-	13.12
Net cash (used in) investing activities (B)	(276.79)	(806.14)
Cash flows from financing activities		
Proceeds from inter corporate deposit (including short-term)	5,576.00	1,870.53
Repayment of inter corporate deposit (including short-term)	(7,483.89)	(2,271.47)
Interest and Finance charges paid	(2,839.53)	(337.99)
Net cash (used in) financing activities (C)	(4,747.42)	(738.93)
Net increase/(decrease) in cash & cash equivalents (A + B + C)	56.74	(86.37)
Cash & cash equivalents at the beginning of the year	98.32	184.69
Cash & cash equivalents at the end of the year (Refer note 9)	155.06	98.32

Component of Cash and Cash equivalents

Cash on hand	-	-
Balances with scheduled bank		
In current accounts	155.06	98.32
Total cash and cash equivalents	155.06	98.32

(1) The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

(2) Disclosure under Para 44A as set out in Ind AS 7 on Statement of Cash Flows under Companies (Indian Accounting Standards) (Amendment) Rules, 2017 is given as per note 13(a)

The accompanying notes form an integral part of financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Manoj H. Dama
Partner

G.J.Rao
Managing Director
DIN: 01724002

Subrat Tripathy
Director
DIN : 06890393

Haresh Bhuva
Company Secretary

Ganesh Poojary
Chief Financial Officer

Place: Ahmedabad
Date: May 24, 2019

Place: Ahmedabad
Date: May 24, 2019

1 Corporate information

Adani Murmugao Port Terminal Private Limited (hereinafter referred to as "the Company" or "AMPTPL") has signed an agreement on September 22, 2009 with Mormugao Port Trust to Design, Build, Finance, Operate and Transfer a Coal handling terminal at Berth No. 7 at the Port of Murmugao, Goa on Build, Own, Operate and Transfer (BOOT) for a period of Thirty Years.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended)

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

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

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

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.

2.1 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
- Held primarily for the purpose of trading
- 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
- It is held primarily for the purpose of trading
- 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

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) Inventories

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty accounted for on an accrual basis.
- Stores and Spares which do not meet the definition of 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.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand and demand deposit with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

d) Property, plant and equipment (PPE)

Property, plant and equipment (including capital work in progress) is stated at cost grossed up with amount of tax/duty benefit availed, 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 derecognises replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Depreciation is calculated on a straight-line basis using the rates arrived based on the useful lives estimated by the management or over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013.

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.

The period of port concession arrangements is 30 years.

e) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the assets can be measured reliably.

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

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable, if not, the change in useful life from indefinite to finite is made on a prospective basis.

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

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

Intangible assets	Estimated Useful Life
Software	5 Years

Port concession rights arising from Service Concession

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 D of Ind AS 115 'Service Concession Arrangements'. These assets are amortised based on the lower of their useful lives or concession period.

Any asset carried under concession arrangement is derecognised on disposal or when no future economic benefits are expected from its future use or disposal. 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-recognized.

f) Impairment of non-financial assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

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 cost 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 calculations, which are prepared separately for the company's CGU to which the individual assets are allocated. The budget calculation is generally for next financial year. For longer periods, a long term growth rate is calculated and applied to project future cash flows thereafter.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (the OCI). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

g) 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.

h) Foreign currency transactions

The company's financial statements are presented in INR, which is also the company's functional currency. The company determines the functional currency and items included in the financial statements are measured using that functional currency.

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).

i) **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.

j) **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 amortization of ancillary cost. 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.

k) **Segment Reporting**

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

In accordance with the Ind-As 108 - "Operating Segments", the company has determined its business segment as port services. Since there are no other business segments in which the company operates, there are no reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

l) **Leases**

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

For arrangements entered into prior to the date of transition. The company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

The Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease. Assets acquired on leases where substantial risks and rewards incidental to ownership are not transferred to the company are classified as operating leases.

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 after considering effects of escalation except where escalation of lease rental is in line with expected inflationary cost.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

m) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

n) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

o) 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.

p) Provisions, contingent liabilities, contingent assets and commitments

General

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

q) Fair value measurement

The Company measures financial instruments, such as, derivatives and certain investments 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

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

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

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

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

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

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

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

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

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

r) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

i) **Financial assets**

Initial recognition and measurement

All financial assets, except trade receivables, investment in subsidiaries, associates and joint ventures, are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instrument at FVTPL

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

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

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

Equity instrument at FVTOCI

All equity instruments are subsequently measured at fair value in the balance sheet, with value changes recognised in statement of profit and loss, except for those equity instruments for which the company has elected to present value changes in " other comprehensive income". If an equity instrument is not held for trading, the company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income.

Derecognition

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

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

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

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

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.
- b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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 after 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 in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

ii) **Financial liabilities**

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the statement of 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.

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.

2.3 **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.

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 23.

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 33.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. refer note 23 for further disclosures.

Adani Mormugao Port Terminal Private Limited

Notes to Financial statements for the year ended March 31, 2019

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 MPT.

Provision for Revenue share of Storage Income

For the demands raised by Mormugao Port Trust ("MPT"), the Company has made a provision for revenue share on the storage income as per the basis described in detail in note 39.

Useful lives of property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful lives of property, plant and equipments are described in note 2.2 (d).

Adani Murmugao Port Terminal Private Limited
Notes to Financials statements for the year ended March 31, 2019
Note 3(a) - Property, Plant and Equipment

in Lacs

Particulars	Tangible assets				
	Computer Hardware	Office Equipments	Furniture & Fixtures	Vehicles	Total
Cost					
As at April 1, 2017	170.39	266.33	43.44	45.91	526.07
Additions	2.81	6.12	-	9.14	18.07
Deductions/Adjustment	-	(12.35)	(15.89)	(6.21)	(34.45)
As at March 31, 2018	173.20	260.10	27.55	48.84	509.69
Additions	-	2.82	-	-	2.82
Deductions/Adjustment	-	7.84	-	-	7.84
As at March 31, 2019	173.20	270.76	27.55	48.84	520.35
Depreciation/amortisation					
As at April 1, 2017	67.85	120.64	14.01	13.15	215.65
Depreciation for the year	33.50	57.48	3.31	6.86	101.15
Deductions/(Adjustment)	-	(4.39)	(8.58)	(2.66)	(15.63)
As at March 31, 2018	101.35	173.73	8.74	17.35	301.17
Depreciation for the year	31.12	57.12	2.91	6.57	97.72
Deductions/(Adjustment)	-	-	-	-	-
As at March 31, 2019	132.47	230.85	11.65	23.92	398.89
Net Block					
As at March 31, 2019	40.73	39.91	15.90	24.92	121.46
As at March 31, 2018	71.85	86.37	18.81	31.49	208.52

Note:

Refer footnote to note 12 for security / charges created on property, plant and equipment.

Note 3(b) - Intangible Assets

in Lacs

Particulars	Port Infrastructure Rights (refer note below)		Total
	Software		
Cost			
As at April 1, 2017	104.39	44,750.95	44,855.34
Additions	7.88	1,103.61	1,111.49
Deductions/Adjustment	-	(319.00)	(319.00)
As at March 31, 2018	112.27	45,535.56	45,647.83
Additions	-	226.89	226.89
Deductions/Adjustment	-	-	-
As at March 31, 2019	112.27	45,762.45	45,874.72
Depreciation/amortisation			
As at April 1, 2017	40.24	5,070.84	5,111.08
Depreciation for the year	23.31	2,625.06	2,648.37
Deductions/(Adjustment)	-	(1.08)	(1.08)
As at March 31, 2018	63.55	7,694.82	7,758.37
Depreciation for the year	23.64	2,672.71	2,696.35
Deductions/(Adjustment)	-	-	-
As at March 31, 2019	87.19	10,367.53	10,454.72
Net Block			
As at March 31, 2019	25.08	35,394.92	35,420.00
As at March 31, 2018	48.72	37,840.74	37,889.46

Note :

Refer note 37 for Impairment evaluation of Port Infrastructure Rights

Adani Murmugao Port Terminal Private Limited
Notes to Financial statements for the year ended March 31, 2019

4 Investments

Current

Financial Assets at fair value through Profit or Loss(FVTPL)

Investment in units of mutual funds - (unquoted)
20,020.33 units of Aditya Birla sunlife liquid fund - Growth - Direct Plan

	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
	60.15	-
	60.15	-
Aggregate carrying value of unquoted Mutual Funds	60.15	-
Aggregate net assets value of unquoted Mutual Funds	60.15	-

5 Trade receivables

Current

Unsecured considered good unless stated otherwise

Trade receivables
- Considered Good
Receivables from related parties (refer note 30)

	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
	481.46	183.37
	575.65	14.30
	1,057.11	197.67

Note :

a) No trade or other 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 30-180 days.

6 Other financial assets

Non-current

Security deposits

	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
	150.00	150.00
	150.00	150.00

Current

Security deposits
Advance to Employees

	2.90	3.07
	0.59	0.26
	3.49	3.33

7 Other Assets

Non Current

Capital advances

Unsecured, considered good

	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
	0.17	1.39
(A)	0.17	1.39

Others (Unsecured)

Balance with government authorities
Export benefit and other receivables
Advance income tax (Net of provision of ` NIL for taxation)

	922.72	1,633.79
	501.22	-
	284.21	155.11
(B)	1,708.15	1,788.90
(A + B)	1,708.32	1,790.29

Current

Advances to suppliers for goods and services

	887.53	890.67
(A)	887.53	890.67

Others (Unsecured)

Prepaid expenses
Contract Assets (refer note (a) below)
Balances with Government authorities
Export benefit and other receivables

	1.37	2.43
	84.96	-
	769.14	689.69
	173.42	407.34
(B)	1,028.89	1,099.46
(A + B)	1,916.42	1,990.13

Note :

(a) 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.

8 Inventories

(At lower of cost and Net realisable value)

Stores and spares

	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
	159.12	212.52
	159.12	212.52

Adani Murmugao Port Terminal Private Limited
Notes to Financial statements for the year ended March 31, 2019

9 Cash and cash equivalents	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
Balances with banks:		
Balance in current account	155.06	98.32
	155.06	98.32

10 Share capital	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
Authorised		
12,00,00,000 Equity Shares of ` 10 each (12,00,00,000 Equity Shares of ` 10 each as at March 31, 2018)	12,000.00	12,000.00
	12,000.00	12,000.00
Issued, subscribed and fully paid up shares		
11,58,88,500 Equity Shares of ` 10 each (11,58,88,500 Equity Shares of ` 10 each as at March 31, 2018)	11,588.85	11,588.85
	11,588.85	11,588.85

Notes:

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

	March 31, 2019		March 31, 2018	
	No in Lacs	` in Lacs	No in Lacs	` in Lacs
As the beginning of the year	1,158.89	11,588.85	1,158.89	11,588.85
New shares Issued during the year	-	-	-	-
As the end of the year	1,158.89	11,588.85	1,158.89	11,588.85

(b) Terms/rights attached to equity shares:

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. 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 holding company

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

	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominee		
11,58,88,500 Equity Shares (Previous year 11,58,88,500) of ` 10 each	11,588.85	11,588.85

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

Details	Particulars	March 31, 2019	March 31, 2018
Adani Ports and Special Economic Zone Limited, the holding company and its nominee (Equity shares of ` 10 each fully paid)	No in Lacs	11,588.85	11,588.85
	% Holding	100.00%	100.00%

11 Other equity	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
Retained Earnings		
Opening Balance	(13,628.94)	(8,666.81)
Less : Loss for the year	(10,338.74)	(4,962.43)
Add : Re-measurement gains / (losses) on defined benefit plans (net of tax)	(4.97)	0.30
Closing balance	(23,972.65)	(13,628.94)

12 Borrowings	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
Non-Current		
Inter corporate deposit (refer note b) (Unsecured)	1,865.77	2,398.65
Inter corporate deposit (refer note a) (Secured)	37,500.00	37,500.00
	39,365.77	39,898.65
Current		
Inter corporate deposit (refer note b) (Unsecured)	-	1,375.01
Total current borrowing	-	1,375.01
The above amount includes		
Secured borrowings	37,500.00	37,500.00
Unsecured borrowings	1,865.77	3,773.66
Total borrowings	39,365.77	41,273.66

Notes:

(a) Inter Corporate Deposit aggregating to ` 37,500.00 Lacs (March 31, 2018 ` 37,500.00) received from Adani Ports and Special Economic Zone Limited, the holding Company, is secured and carries interest rate @ 7.50% p.a. (March 31, 2018 @ 6.25% p.a.). The outstanding loan balance will be repayable by November 30, 2029 and is secured by way of a charge over the assets.

(b) Inter Corporate Deposit of ` 1,865.77 lacs (March 31, 2018 ` 2,398.65 lacs) received from Adani Ports and Special Economic Zone Limited, the holding Company. The outstanding loan balance will be repayable by March 31, 2023 and it carries interest rate @ 7.5 % (March 31, 2018 @ 6.25%) respectively.

(c) The Company pays interest @7.5% per annum. As per the inter corporate deposit agreement, the Company is liable to pay an additional interest @ 7.50 % per annum for the entire financial year if the Company achieves the agreed upon cargo milestone during the financial year.

Adani Murmugao Port Terminal Private Limited
Notes to Financial statements for the year ended March 31, 2019

13 Other financial liabilities

Current

Interest accrued but not due on borrowings (refer note 30)
Capital creditors, retention money and other payable

March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
4,881.26	2,296.40
237.41	213.40
5,118.67	2,509.80

Note (a)

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure 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 period.

Changes in liabilities arising from financing activities

Particulars	April 1, 2018	Cash Flow	Foreign Exchange Management	Changes in Fair Value	Finance Cost for the year	March 31, 2019 ` in Lacs
Long-term Borrowings (Including Current Maturities)	39,898.65	(532.88)	-	-	-	39,365.77
Short-term borrowing	1,375.01	(1,375.01)	-	-	-	-
Interest accrued but not due including bank charges	2,296.40	(2,839.53)	-	-	5,424.39	4,881.26
Total	43,570.06	(4,747.42)	-	-	5,424.39	44,247.03

As at March 31, 2018

Particulars	April 1, 2017	Cash Flow	Foreign Exchange Management	Changes in Fair Value	Finance Cost for the year	March 31, 2018
Long-term Borrowings (Including Current Maturities)	39,598.33	300.32	-	-	-	39,898.65
Short-term borrowing	2,076.27	(701.26)	-	-	-	1,375.01
Interest accrued but not due	70.06	(337.99)	-	-	2,564.33	2,296.40
Total	41,744.66	(738.93)	-	-	2,564.33	43,570.06

14 Provisions

Current

Provision for gratuity (refer note 33)
Provision for compensated absences

March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
42.50	31.67
34.02	26.03
76.52	57.70

15 Other Liabilities

Non Current

Deferred government grant (refer note (i))

March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
328.15	363.30
328.15	363.30

Current

Contract Liabilities (refer note (ii) below)
Statutory liability
Deferred government grant (refer note (i))

12.30	5.53
383.51	42.37
35.15	35.15
430.96	83.05

Note :

(i) Movement in Government Grant

Opening Balance

Less : Amortisation during the year

Closing Balance

March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
398.45	433.60
35.15	35.15
363.30	398.45

Non Current

Current

328.15	363.30
35.15	35.15

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

16 Trade payables

Trade payables

Payables to related parties (refer note 30)
Payables to micro and small enterprises (refer note 35)
Other trade payables (refer note below)

March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
-	2.90
0.51	-
7,814.35	289.92
7,814.86	292.82

Note : Amount as on March 31, 2019 includes a provision of ` 7,261.86 lacs towards revenue share on storage income. Refer note 39 for the detailed description of the matter and basis for the provision made.

Adani Murmugao Port Terminal Private Limited
Notes to Financial statements for the year ended March 31, 2019

17 Revenue from operations

Revenue from contracts with Customers
 Other operating income - Government Incentives on Services (refer note - 2.2 (n))

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
10,644.89	3,176.42
525.57	235.48
11,170.46	3,411.90

a) Reconciliation of revenue recognised with contract price:

Particular

Contract Price
 Adjustment for:
 Change in value of Contract Assets
 Change in value of Contract Liabilities
Revenue from Contract with Customers

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
10,570.19	3,172.99
84.96	-
(10.26)	3.43
10,644.89	3,176.42

18 Other income

Interest Income from Customers and others
 Unclaimed liabilities / excess provision written back
 Gain on Sale / Disposal of Assets (net)
 Scrap sale
 Rent income
 Gain on sale of Mutual Fund
 Amortisation of Government Grant
 Miscellaneous income

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
-	13.12
-	46.69
0.50	-
10.70	5.71
1.00	-
0.15	-
35.15	35.15
24.50	28.37
72.00	129.04

19 Operating Expenses

Cargo handling /Other charges to sub-contractors
 Terminal royalty expenses (refer note 39)
 Railway operating expenses
 Tug and pilotage charges
 Other expenses including customs establishment charges
 Repairs to plant & machinery
 Repairs to buildings
 Power & fuel

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
875.66	672.34
9,719.59	636.34
(0.42)	0.42
168.50	52.29
5.72	1.95
330.17	148.57
3.19	2.64
560.86	268.50
11,663.27	1,783.05

20 Employee benefits expense

Salaries, wages and bonus
 Contribution to provident and other funds
 Gratuity expense (refer note 33)
 Staff welfare expenses

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
412.30	322.05
17.20	16.43
8.28	7.87
15.85	12.83
453.63	359.18

21 Finance Costs

Interest on
 Fixed loans, buyer's credit, short term etc. (refer note (a))
 Others
 Bank and other finance charges

March 31, 2019	March 31, 2018
₹ in Lacs	₹ in Lacs
5,423.62	2,551.55
0.03	2.64
0.74	10.14
5,424.39	2,564.33

Note :

(a) The interest expense of the current year is as per the terms of the inter corporate deposits as described in the Note 12.

Adani Murmugao Port Terminal Private Limited
Notes to Financial statements for the year ended March 31, 2019

22 Other Expenses

	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
Rent	840.42	712.95
Rates and taxes	0.15	0.43
Insurance	12.79	9.88
Advertisement and publicity	16.62	2.65
Other Repairs and maintenance	25.59	20.99
Legal and professional expenses	102.14	104.04
Payment to auditors (refer note 1 below)	7.13	5.52
Security expenses	46.47	65.48
Communication expenses	48.83	38.04
Electric power expenses	0.85	0.13
Office expenses	27.13	24.98
Travelling and conveyance	19.82	21.03
Directors sitting fee	0.48	1.10
Loss on sale of fixed assets (net)	-	8.29
Miscellaneous expenses	97.42	31.78
	1,245.84	1,047.29

Note: 1

Payment to Auditor

As Auditor:

Audit fee
 Limited review

In other Capacity

Other Services

Reimbursement of expenses

	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
Audit fee	4.53	3.50
Limited review	1.50	1.50
Other Services	1.10	0.50
Reimbursement of expenses	-	0.02
	7.13	5.52

Adani Murmugao Port Terminal Private Limited
Notes to Financial statements for the year ended March 31, 2019

23 Income Tax

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

	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
Accounting profit before taxation	(10,338.74)	(4,962.43)
Applicable tax rate	26.00%	25.75%
Computed tax expenses	(2,688.07)	(1,277.83)
Timing differences on which deferred tax not created	17.71	-
Effect of temporary differences originating and reversing in tax holiday period	502.69	(653.16)
Effect of expenses which are not deductible in determining taxable profit	6.67	3.63
Unabsorbed Depreciation and Loss on which Deferred Tax Asset not Recognised	2,161.00	1,927.35
Income tax expenses charged to profit and loss	-	-

(ii) Deferred Tax Liabilities(net)

Particulars	Balance Sheet		Profit and Loss	
	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs	March 31, 2019 ` in Lacs	March 31, 2018 ` in Lacs
Accelerated depreciation for tax purpose	(1,071.30)	(360.68)	(710.62)	316.60
Unabsorbed Depreciation (to the extent of excess of depreciation claimed in tax over books)	1,071.30	360.68	710.62	(316.60)
Deferred tax liabilities	-	-	-	-

The company has carried forward unabsorbed depreciation aggregating ` 22,167.54 lacs (previous year ` 17,293.73 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 ` 12,874.07 lacs (previous year ` 5,431.96 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 2026-27.

Deferred tax asset has not been recognised in respect of these unabsorbed depreciation aggregating to ` 22,167.54 lacs (previous year ` 17,293.73 lacs) and carry forward losses aggregating to ` 8,753.69 lacs (previous year ` 4,044.74 lacs) as they may not be used to offset taxable profits of the company in future years and there are no other tax planning opportunities or other evidences of recoverability in the near future. If the company was able to recognise all unrecognised deferred tax assets, the loss would reduce by ` 8,039.52 lacs (previous year ` 5,548.00 lacs).

24 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2019 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	in Lacs
					Total
Financial Asset					
Investments (refer note 4)	-	60.15	-	-	60.15
Trade receivables (refer note 5)	-	-	-	1,057.11	1,057.11
Cash and cash equivalents (refer note 9)	-	-	-	155.06	155.06
Others financial assets (refer note 6)	-	-	-	153.49	153.49
Total	-	60.15	-	1,365.66	1,425.81
Financial Liabilities					
Borrowings (refer note 12)	-	-	-	39,365.77	39,365.77
Trade payables (refer note 16)	-	-	-	7,814.86	7,814.86
Other financial liabilities (refer note 13)	-	-	-	5,118.67	5,118.67
Total	-	-	-	52,299.30	52,299.30

b) The carrying value of financial instruments by categories as of March 31, 2018 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	in Lacs
					Total
Financial Asset					
Trade receivables (refer note 5)	-	-	-	197.67	197.67
Cash and cash equivalents (refer note 9)	-	-	-	98.32	98.32
Others financial assets (refer note 6)	-	-	-	153.33	153.33
Total	-	-	-	449.32	449.32
Financial Liabilities					
Borrowings (refer note 12)	-	-	-	41,273.66	41,273.66
Trade payables (refer note 16)	-	-	-	292.82	292.82
Other financial liabilities (refer note 13)	-	-	-	2,509.80	2,509.80
Total	-	-	-	44,076.28	44,076.28

25 Financial Risk objective and policies

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

(A) Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities.

(B) Foreign currency risk

The Company also enters various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on trade payables.

Adani Murrugao Port Terminal Private Limited

Notes to Financial statements for the year ended March 31, 2019

(C) 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 Company's and assessed for impairment collectively. The calculation is based on exchange losses historical data.

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

Concentrations of Credit Risk form part of Credit Risk

The Company is significantly dependent on cargo from or to few large port user customer with whom it has strategic arrangements. Out of total revenue, the Company earns ₹ 6,316.73 Lacs of revenue during the year ended March 31, 2019 (previous year ₹ 1,876.19 Lacs) from such customers which constitute 57% (previous year 55%) of total revenue and the accounts receivable from such customers approximated ₹ 1,013.94 Lacs as at March 31, 2019 and ₹ 129.16 Lacs as at March 31, 2018. A loss of these customer could adversely affect the operating results or cash flows of the Company.

The total revenue includes ₹ 4,910.55 Lacs (previous year ₹ 845.38 Lacs) from external customers who contributes more than 10% of the revenue individually.

(D) Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities :

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

As on March 31, 2019	Particulars	₹ in Lacs	
		Less than 1 year	1 to 5 years
	Long term borrowings (refer note 12)	-	39,365.77
	Other current financial liabilities (refer note 13)	5,118.67	-
	Trade and other payables (refer note 16)	7,814.35	-

As on March 31, 2018	Particulars	₹ in Lacs	
		Less than 1 year	1 to 5 years
	Long term borrowings (refer note 12)	-	39,898.65
	Short term borrowings (refer note 12)	1,375.01	-
	Other current financial liabilities (refer note 13)	2,509.80	-
	Trade and other payables (refer note 16)	292.82	-

26 Capital management

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

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

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
Net debt (total debt less cash and cash equivalents)	39,210.71	41,175.34
Total equity	(12,383.80)	(2,040.09)
Total equity and net debt	26,826.91	39,135.25
Gearing ratio	146.16%	105.21%

27 Earnings per share

	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Net profit as per statement of profit and loss	(10,338.74)	(4,962.43)
Weighted average number of equity shares	1,158.89	1,158.89
Basic and diluted earnings per share (in ₹)	(8.92)	(4.28)

28 Capital commitments & other commitment

Capital commitments	₹ in Lacs	
	March 31, 2019	March 31, 2018
Particulars		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	48.32	193.46

Other commitment

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
(i) The Company has imported capital good for its Container and Multipurpose Port Terminal Project under the Export Promotion Capital Goods Scheme of the Government of India at concessional rate of custom duty by undertaking obligation to export. Original required export obligation under the scheme is ₹ 9,192.16 Lacs which is equivalent to either 8 times / 6 times of duty saved of ₹ 1,149.02 Lacs and the said export obligation has been completed however the documents for discharge of the entire export obligation is pending to submit.	9,192.16	9,192.16

29 Contingent Liabilities not provided for

Sr.No	Particulars	₹ in Lacs	
		March 31, 2019	March 31, 2018
a	Show cause notice received from Commissioner of Central GST for Cenvat credit used in relation to the construction of coal handling terminal for the period July 2012 to March 2017. The management is of the view that no liability shall arise on the Company.	231.16	-
b	Show cause notice received from Assistant Commissioner of Central Goods and Service Tax for Cenvat credit on Education cess, Higher Education cess & Krishi Kalyan Cess for the period April to June 2017. The management is of the view that no liability shall arise on the Company.	86.32	-
c	Revenue sharing on the storage income as per concession arrangement for the Financial Year 2017-2018 & 2018- 2019 (refer note 39)	4,601.44	-

ADANI MURMUGAO PORT TERMINAL PRIVATE LIMITED

Details of Related Party Transactions for the year ended March 31, 2019 are as under;

30 Related Party Disclosures:

The Management has identified the following entities as related parties of the Company, which are as under:

Holding Company	Adani Ports & Special Economic Zone Limited
Entities over which major shareholders of the holding company are able to exercise control or significant influence through voting powers	Adani Enterprises Limited Adani Wilmar Limited
Fellow Subsidiary Companies	Adani Hazira Port Private Limited The Dhamra Port Company Limited Adani Vizag Coal Terminal Private Limited Adani Power Mundra Limited Adani Power Maharashtra Limited Adani Kandla Bulk Terminal Private Limited Adani Logistics Limited
Key Managerial Personnel	Mr. G.J.Rao – Managing Director Mr. HR Venkatesh – Director (upto 12.04.2018) Mr. Subrat Tripathy - Director Mr. Ganesh Poojary - Chief Financial Officer (upto 04.08.2018) Ms. Komal Majmudar - Non - Executive Director Mr. Hareesh Bhuva - Company Secretary

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.

(C In lacs)

Particulars	Adani Ports & Special Economic Zone Ltd.		Adani Enterprise Ltd.		Adani Hazira Port Pvt. Ltd.		Adani Logistics Ltd.		Adani Wilmer Ltd.		Adani Power Maharashtra Ltd.		Adani Power Mundra Ltd.		The Dhamra Port Company Ltd		Adani Kandla Bulk Terminal Private Ltd.		Total		
	March 19	March 18	March 19	March 18	March 19	March 18	March 19	March 18	March 19	March 18	March 19	March 18	March 19	March 18	March 19	March 18	March 19	March 18	March 19	March 18	
Transactions																					
Rendering of Services	-	227.95	744.94	287.69	-	-	18.71	34.94	258.27	-	-	-	-	-	-	-	-	-	1,021.92	550.57	
Purchase of Services (including equipment rental)	-	-	32.18	24.85	9.00	9.05	-	-	-	-	-	-	0.44	-	-	-	-	-	41.61	33.89	
Sale of Asset	-	-	-	-	-	-	24.00	-	-	-	-	-	-	-	-	-	-	5.66	24.00	5.66	
Sitting Fees :																					
Mr Jay H. Shah	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.39	
Ms. Komal Majmudar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.71	
Interest Expense	5,423.62	2,551.55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,423.62	2,551.55	
Other Financial Asset	-	8.66	-	-	-	-	-	-	-	-	1.88	-	-	-	-	-	-	-	1.88	8.66	
Unsecured Loan received	5,576.00	1,870.53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,576.00	1,870.53	
Unsecured Loan repaid	(7,483.89)	(2,271.46)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,483.89)	(2,271.46)	
Closing Balance																					
Borrowings - Inter Corporate Deposit	39,365.77	41,273.66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,365.77	41,273.66	
Interest accrued but not due	4,881.26	2,296.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,881.26	2,296.40	
Accounts (payable)/receivable at year end	-	(1.00)	573.33	(5.75)	-	(5.25)	2.31	14.30	-	-	-	-	-	-	-	(5.20)	-	-	575.65	5.11	

Terms and conditions of transactions with related parties

1. Outstanding balances of related parties at the year-end are secured (Inter Corporate Deposit) as well as unsecured (Accounts payable/receivable) 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 holding Company, at the interest rate @ 6.25% p.a. till December, 2018 and carrying interest rate @ 7.5% from January, 2019 (previous year 6.25% p.a.). As per the inter corporate deposit agreement, the Company is liable to pay an additional interest @ 7.50 % per annum for the entire financial year if the Company achieves the agreed upon cargo milestone during the financial year.

Adani Murrugao Port Terminal Private Limited

Notes to Financial statements for the year ended March 31, 2019

31 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 25 (c)).

32 Leases

Operating lease commitments – Company as lessee

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

Particulars	` in Lacs	
	As at March 31, 2019	As at March 31, 2018
Within one year	743.66	714.78
After one year but not more than five years	3,157.92	3,004.96
More than five years	15,904.04	13,214.78
Total	19,805.62	16,934.52

33 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 ` 16.49 Lacs (previous year ` 15.59 Lacs) as expenses under the following defined contribution plan.

Contribution to	March 31, 2019	March 31, 2018
Provident Fund	16.49	15.59
Total	16.49	15.59

(b) The company has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The 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.

Gratuity

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

Particulars	` in Lacs	
	March 31, 2019	March 31, 2018
Present value of the defined benefit obligation at the beginning of the year	31.67	30.07
Current service cost	5.83	5.60
Past Service Cost	-	-
Interest cost	2.45	2.28
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(0.70)	-
- change in financial assumptions	5.01	(0.65)
- experience variance	0.65	0.35
Acquisition Adjustment	(0.29)	3.86
Benefits paid	(2.12)	(9.84)
Present value of the defined benefit obligation at the end of the year	42.50	31.67

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

Contribution to	` in Lacs	
	March 31, 2019	March 31, 2018
Present value of the defined benefit obligation at the end of the year	42.50	31.67
Fair value of plan assets at the end of the year	-	-
Amount recognised in the balance sheet	(42.50)	(31.67)
Net (liability)/asset - Current	(42.50)	(31.67)
Net (liability)/asset - Non-current	-	-

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

Particulars	` in Lacs	
	March 31, 2019	March 31, 2018
Current service cost	5.83	5.59
Interest cost on benefit obligation	2.45	2.28
Total expense included in employee benefits expense	8.28	7.87

d) Recognised in the other comprehensive income for the year

Particulars	` in Lacs	
	March 31, 2019	March 31, 2018
Actuarial (gain)/losses arising from		
- change in demographic assumptions	(0.70)	-
- change in financial assumptions	5.01	(0.65)
- experience variance	0.65	0.35
Return on plan assets, excluding amount recognised in net interest expense	-	-
Recognised in comprehensive income	4.96	(0.30)

e) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2019	March 31, 2018
Weighted average duration (based on discounted cash flows)	7 years	10 years

Adani Murmugao Port Terminal Private Limited

Notes to Financial statements for the year ended March 31, 2019

f) Quantitative sensitivity analysis for significant assumption is as below

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

Particulars	March 31, 2019		March 31, 2018	
	Discount rate			
Assumptions	1 % Decrease	1 % Increase	1 % Decrease	1 % Increase
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	3.00	(2.66)	3.45	(2.92)

Particulars	March 31, 2019		March 31, 2018	
	Salary Growth rate			
Assumptions	1 % Decrease	1 % Increase	1 % Decrease	1 % Increase
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(2.68)	2.96	(2.97)	3.44

Particulars	March 31, 2019		March 31, 2018	
	Attrition rate			
Assumptions	0.5 % Decrease	0.5 % Increase	0.5 % Decrease	0.5 % Increase
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	0.35	(0.25)	0.00	0.00

Particulars	March 31, 2019		March 31, 2018	
	Mortality rate			
Assumptions	0.1 % Decrease	0.1 % Increase	0.1 % Decrease	0.1 % Increase
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	0.00	0.00	(0.01)	0.01

Sensitivity Analysis Method

The sensitivity analysis above 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.

g) 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	IAL (2006-08) Ultimate	IAL (2006-08) Ultimate
Attrition rate	7.75%	10% for 5 years & below and 1% thereafter

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

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

34 Unhedged foreign currency exposure

Nature	As at March 31, 2019		As at March 31, 2018	
	Amount ₹ in Lacs	Foreign Currency In Mn	Amount ₹ in Lacs	Foreign Currency In Mn
Trade payables	3.09	EUR 0.004	3.21	EUR 0.004
Other Receivable	-	-	7.98	EUR 0.009

Closing rates as at March 31, 2019:
INR / EURO = ₹ 77.6725

Closing rates as at March 31, 2018:
INR / EURO = ₹ 80.8075

35 Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III the Companies Act, 2013 for the year ended March 31, 2019. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Sr No	Particulars	₹ in Lacs	
		As at March 31, 2019	As at March 31, 2018
(i)	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	0.51	0.00
	Interest	Nil	Nil
(ii)	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v)	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	Nil	Nil

36 Standard Issued but not 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:

IndAS 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 lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & 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 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. There will be no impact of this amendment on the Company's 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.

37 The Company incurred a net loss of ` 10,338.74 lacs during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by ` 10,089.65 lacs, and the accumulated losses of ` 23,972.65 lacs in Other Equity exceeded the Equity Share Capital of ` 11,588.85 lacs resulting in the net worth being negative at ` 12,383.80 lacs as represented by Total Equity. The Company has incurred cash loss in current year as well as in previous year. 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. These events or conditions along with other matters as set forth in Note 39 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Adani Ports and Special Economic Zone Limited, the Holding Company has undertaken to provide 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.

38 The Company has determined the recoverable amounts of the 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 rates etc. which are considered reasonable by the Management. On a careful evaluation of the aforesaid factors, the Management of the Company has concluded that the Recoverable Amounts of the Intangible Assets is higher than their carrying amounts as at March 31, 2019 and no provision for impairment in respect of these intangible assets is considered necessary at this stage.

Adani Marmugao Port Terminal Private Limited

Notes to Financial statements for the year ended March 31, 2019

39 The Company has not acknowledged and accepted the liability towards revenue share on storage charges payable to Mormugao Port Trust (MPT) as per the Concessional Agreement and disputed the same on various grounds like non-availability of adequate rakes, restriction on cargo movement by road, non-availability of required infrastructure for dispatch, storage charges being levied on the Project is very disproportionate compared to other Major Ports resulting in diversion of cargos to other ports. Similar challenges were faced by various other port operators becoming stressed due to abnormally high storage charges.

As a result, during the year, Ministry of Shipping (MoS) has issued guidelines for classification of stressed projects and under the guidelines criteria for classification of stressed projects have been specified and a three-point formula was framed that includes extending the free storage period comparable to what nearby private ports are offering users to optimise capacity utilisation of the berth and change in the basis of charging royalty whereby no royalty for free period as per the executed concession agreement, 1 per cent of the annual revenue requirement (ARR) between free period and extended free period and royalty on the actual storage charges collected from users or 1 per cent of the ARR, whichever is higher, for the period beyond the extended free days.

The aforesaid guidelines will give substantial relief to the Company.

The Company had applied for Stress Project, however, the application was rejected because of waiver of interest by holding company on the loan in the financial year 2016-17 which resulted in profit as per the financial statements for the financial year 2016-17.

Subsequently, MPT has accepted reconsideration of application by the Company for classifying the Project as Stressed Projects for financial year 2017-18 and 2018-19 and based on the financial statements, the Management is confident of getting Stressed Project classification for the financial year 2017-18 and 2018-19, however, in view of MPT not considered the previous application for Stressed Project due to cash profit for financial year 2016-17 and demand raised by MPT for the period upto March 31, 2017, the Management considered it prudent make provision to the extent of demand raised for ` 7,261.86 lacs upto financial year 2016-17 as the stressed project guidelines does not provide retrospective effect and the Management is of the view that the Company may settle the liability within this provision till March 2019 including interest if any and no further provision for financial year 2017-18 and 2018-19 is considered to be necessary.

40 Event occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of 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 24, 2019, there were no subsequent events to be recognised or reported that are not already disclosed.

41 Approval of financial statements

The financial statements were approved for issue by the board of directors on May 24, 2019.

For and on behalf of Board of Directors

G.J.Rao
Managing Director
DIN: 01724002

Subrat Tripathy
Director
DIN : 06890393

Haresh Bhuva
Company Secretary

Ganesh Poojary
Chief Financial Officer

Place: Ahmedabad
Date: May 24 2019