DHARMESH PARIKH & CO.
CHARTERED ACCOUNTANTS

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

Independent Auditor's Report
To the Members of Adani Vizag Coal Terminal Private Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Adani Vizag Coal Terminal Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, read with the emphasis of matter paragraph below, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Responsibilities for the Audit of the Standalone 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 independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 standalone 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.

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Independent Auditor’s Report
To the Members of Adani Vizag Coal Terminal Private Limited (Continue)

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these Standalone 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 accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 controls 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 management.

Independent Auditor’s Report
To the Members of Adani Vizag Coal Terminal Private Limited (Continue)

- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Emphasis of Matter

We would like to draw attention to note no 31 of the accompanying financial statements wherein the management of the company has reassessed the carrying values of the Service Concession Rights based on certain positive developments as more described in the note and accordingly has reversed the impairment loss provision to the extent of Rs. 5295 Lakhs based on the best estimates by the management.

Though the net worth of the company has been completely eroded, the accounts have been prepared on a going concern basis, based on continuous financial support from the parent company.

Our report is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “Annexure A” statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
   e) on the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

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Independent Auditor's Report
To the Members of Adani Vizag Coal Terminal Private Limited

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

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

   i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements – Refer Note 26 to the financial statements. does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. **With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended**:

   According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided except for Director Sitting Fees. Accordingly, reporting under section 197(16) of the Act is not applicable.

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

Place: Ahmedabad
Date: April 29, 2019

Anuj Jain
Partner
Membership No. 119140

Annexure - A to the Independent Auditor's Report
RE: Adani Vizag Coal Terminal Private Limited

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

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2019, we report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified by the management in a phased periodic manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) Based on the audit procedures performed and as per the information and explanations given by the management, the company has constructed the immovable properties in terms of the Concession Agreement with Vishakhapatnam Port Trust (VPT) dated August 01, 2011 which is for a period of 30 years.

(ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.

(b) On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt in the books of accounts.

(iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.

(iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3(iv) of the Order are not applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) As informed to us, the maintenance of cost records as prescribed by the Central Government under section 148(1) of the Act are not applicable to the company for the year under review.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, goods and service tax (GST), duty of customs, provident fund and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, entry tax and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred above were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.

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Annexure - A to the Independent Auditor’s Report
RE: Adani Vizag Coal Terminal Private Limited (Continue)

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

(viii) The Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures. Accordingly the provisions of paragraph 3(viii) of the Order are not applicable.

(ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/ provided except for Director Sitting Fees. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.

(xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.

(xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

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

Place: Ahmedabad
Date: April 29, 2019

Anuj Jain
Partner
Membership No. 119140

DHARMESH PARIKH & CO.
CHARTERED ACCOUNTANTS

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Annexure – B to the Independent Auditor's Report
RE: Adani Vizag Coal Terminal Private Limited

(Referred to in Paragraph 2(f) of our Report of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of the company as of 31st March, 2019 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibilities for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

Annexure – B to the Independent Auditor's Report
RE: Adani Vizag Coal Terminal Private Limited (continue)

(Referred to in Paragraph 2(f) of our Report of even date)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

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

Place: Ahmedabad
Date: April 29, 2019

Anuj Jain
Partner
Membership No. 119140

Adani Vizag Coal Terminal Private Limited
Balance Sheet as at March 31, 2019

₹ in Lacs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-Current Assets			
Property, Plant and Equipment	3	89.74	79.91
Intangible Assets	3	20,625.41	19,675.91
Financial Assets			
i) Other Financial Assets	5	101.31	72.26
Other Non-Current Assets	6	354.61	2,096.44
Total Non-Current Assets		**21,171.07**	**21,924.52**
Current assets			
Inventories	7	117.55	146.61
Financial Assets			
i) Trade Receivables	4	366.23	-
ii) Cash and Cash Equivalents	8	92.43	4.78
iii) Other Financial Assets	5	28.76	7.04
Other Current Assets	6	1,855.98	11.64
Total Current Assets		**2,460.95**	**170.07**
Total Assets		**23,632.02**	**22,094.59**
Equity And Liabilities			
Equity			
Equity Share Capital	9	10,128.00	10,128.00
Other equity	10	(27,583.61)	(30,512.44)
Total Equity		**(17,455.61)**	**(20,384.44)**
Non-Current Liabilities			
Financial liabilities			
i) Borrowings	11	37,795.98	29,089.98
Provisions	13	-	1.50
Total Non-Current Liabilities		**37,795.98**	**29,091.48**
Current Liabilities			
Financial Liabilities			
i) Trade and Other Payables			
(A) Total Outstanding dues of micro and small enterprises	15	3.15	-
(B) Total Outstanding dues of creditors other than micro and small enterprises	15	1,908.41	2,459.10
ii) Other Financial Liabilities	12	1,271.43	10,922.03
Other current liabilities	14	68.02	6.10
Provisions	13	40.64	0.32
Total Current Liabilities		**3,291.65**	**13,387.55**
Total liabilities		**41,087.63**	**42,479.03**
Total equity and liabilities		**23,632.02**	**22,094.59**

The accompanying notes are an integral part of the financial statements

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

For and on behalf of Board of Directors of
Adani Vizag Coal Terminal Private Limited

Anuj Jain
Partner
Membership No. 119140

Ennarasu Karunesan
Managing Director
DIN :00200432

G. J. Rao
Director
DIN: 01724002

Satyaprakash Mishra
Chief Financial Officer

Place: Ahmedabad
Date: April 29, 2019

Place: Ahmedabad
Date: April 29, 2019

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

₹ in Lacs

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from Operations	16	3,369.31	-
Other Income	17	21.46	71.34
Total Income		**3,390.77**	**71.34**
Expenses			
Operating Expenses	18	2,975.33	43.98
Employee Benefits Expense	19	159.00	15.88
Depreciation and Amortization Expense	3	2,167.06	1,676.81
Foreign Exchange (Gain) / Loss (net)		(100.68)	318.78
Finance costs	20	94.68	1,253.32
Other Expenses	21	453.46	640.34
Total Expense		**5,748.85**	**3,949.11**
(Loss) before exceptional items and tax		**(2,358.08)**	**(3,877.77)**
Exceptional items	31	(5,295.00)	15,518.00
Profit / (Loss) before tax		**2,936.92**	**(19,395.77)**
Tax expense:			
Deferred Tax	22	-	(867.19)
Total Tax Expenses		**-**	**(867.19)**
Profit / (Loss) for the year	(A)	**2,936.92**	**(18,528.58)**
Other Comprehensive Income			
Re-measurement (losses) on defined benefit plans (net)		(8.09)	(0.02)
Net other comprehensive income for the year not to be reclassified to profit or loss in subsequent periods	(B)	**(8.09)**	**(0.02)**
Total Comprehensive Income for the year	(A)+(B)	**2,928.83**	**(18,528.60)**
Earnings per Share - (Face value of ₹ 10 each)			
Basic and Diluted (in ₹)	24	**2.90**	**(18.29)**

The accompanying notes are an integral part of the financial statements

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

Anuj Jain
Partner
Membership No. 119140

Place: Ahmedabad
Date: April 29, 2019

For and on behalf of Board of Directors of
Adani Vizag Coal Terminal Private Limited

Ennarasu Karunesan
Managing Director
DIN :00200432

G. J. Rao
Director
DIN: 01724002

Satyaprakash Mishra
Chief Financial Officer

Place: Ahmedabad
Date: April 29, 2019

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

₹ in Lacs

Particulars	Equity Share Capital	Reserves and Surplus	Total
		Retained Earning	
Balance as at April 01, 2017	**10,128.00**	**(11,983.84)**	**(1,855.84)**
(Loss) for the year	-	(18,528.58)	**(18,528.58)**
Other Comprehensive income			
Re-measurement (losses) on defined benefit plans (net of tax)	-	(0.02)	**(0.02)**
Total Comprehensive income for the year	**-**	**(18,528.60)**	**(18,528.60)**
Balance as at March 31, 2018	**10,128.00**	**(30,512.44)**	**(20,384.44)**
Profit for the year	-	2,936.92	**2,936.92**
Other Comprehensive income			
Re-measurement (losses) on defined benefit plans (net of tax)	-	(8.09)	**(8.09)**
Total Comprehensive Income for the year	**-**	**2,928.83**	**2,928.83**
Balance as at March 31, 2019	**10,128.00**	**(27,583.61)**	**(17,455.61)**

For DHARMESH PARIKH & CO.
Chartered Accountants
ICAI Firm Registration No.: 112054W

Anuj Jain
Partner
Membership No. 119140

Place: Ahmedabad
Date: April 29, 2019

For and on behalf of Board of Directors of
Adani Vizag Coal Terminal Private Limited

Ennarasu Karunesan
Managing Director
DIN :00200432

G. J. Rao
Director
DIN: 01724002

Satyaprakash Mishra
Chief Financial Officer

Place: Ahmedabad
Date: April 29, 2019

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

₹ in Lacs

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash Flow from Operating Activities**		
	Profit / (Loss) before tax	2,936.92	(19,395.77)
	Adjustments for:		
	(Profit) on Sale / Discard of Property, Plant & Equipments and Intangible Assets (net)	-	(3.25)
	Excess Provision Written Back	-	(0.16)
	Depreciation and Amortisation	2,167.06	1,676.81
	Impairment (reversal) / Loss	(5,295.00)	15,518.00
	Finance Income	(2.06)	(1.89)
	Finance Cost	94.68	1,512.44
	Derivative (Gain)	-	(259.12)
	Foreign Exchange (Gain) / Loss	(100.68)	318.78
	Inventory Written off	9.38	-
	Government Grant Income	-	(56.76)
	Amortisation of benefits under Deposits	7.04	7.04
	Operating (Loss) before Working Capital Changes	**(182.66)**	**(683.88)**
	Adjustments for :		
	(Increase) / Decrease in trade receivables	(366.23)	1.22
	Decrease in inventories	19.68	1.60
	(Increase) / Decrease in financial assets	(48.71)	924.72
	(Increase) / Decrease in other assets	(139.81)	26.65
	(Decrease) / Increase in trade payables	(67.93)	818.26
	Increase / (Decrease) in other liabilities	61.92	(941.03)
	Increase in Provisions	30.73	0.30
	(Decrease) in financial liabilities	(1,849.55)	(83.10)
	Cash (used in) / generated from operations	**(2,542.56)**	**64.74**
	Direct Taxes Refunds	30.26	-
	Net Cash Outflow / (Inflow) from Operating Activities	**(2,512.30)**	**64.74**
B.	**Cash flows from Investing Activities**		
	Purchase of Property, Plant and Equipments (Including capital work In progress and capital advances)	(76.63)	-
	Proceeds from Sale of Fixed Assets	-	34.25
	Net cash (Outflow) / Inflow from investing activities	**(76.63)**	**34.25**
	Cash flows from Financing Activities		
	Repayment of Buyer's credit	(5,914.43)	-
	Proceeds from Inter Corporate Deposit (including short-term)	11,735.00	1,136.09
	Repayment of Inter Corporate Deposit (including short-term)	(3,029.00)	(1,054.17)
	Loss on Derivative Swap Contracts	-	158.06
	Interest Paid	(114.99)	(368.79)
C.	**Net Cash Inflow / (Outflow) from Financing Activities**	**2,676.58**	**(128.81)**
D.	**Net Increase / (Decrease) in Cash & Cash Equivalents (A + B + C)**	87.65	(29.82)
E.	**Cash & Cash Equivalents at the Beginning of the Year (Refer note - 8)**	**4.78**	**34.60**
F.	**Cash & Cash Equivalents at the End of the Year (Refer note - 8)**	**92.43**	**4.78**
	Notes:		
	Component of Cash and Cash equivalents		
	Balances with scheduled bank		
	On current accounts	92.43	4.78
	Cash and Cash Equivalents at the End of the year	**92.43**	**4.78**

Summary of significant accounting policies refer note 2.2

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

As per our report of even date

For DHARMESH PARIKH & CO.
Chartered Accountants
ICAI Firm Registration No.: 112054W

Anuj Jain
Partner
Membership No. 119140

Place: Ahmedabad
Date: April 29, 2019

For and on behalf of Board of Directors of
Adani Vizag Coal Terminal Private Limited

Ennarasu Karunesan
Managing Director
DIN :00200432

G. J. Rao
Director
DIN: 01724002

Satyaprakash Mishra
Chief Financial Officer

Place: Ahmedabad
Date: April 29, 2019

1 Corporate information

Adani Vizag Coal Terminal Private Limited ('the Company') was incorporated on April 15, 2011 as a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited. The Company has developed bulk cargo port terminal facility for Handling Steam Coal in the inner harbor of Visakhapatnam Port on Design, Build, Finance, Operate and Transfer ("DBFOT") basis under the Concession Agreement dated August 01, 2011,effective for a period of 30 years from the date of Award of Concession (August 08, 2012).

The Company has commenced its commercial operations on East Quay - 1 ("EQ-1) Berth at Vizag Port w.e.f October 01 2014 .
The financial statement were authorised for issue in accordance with a resolution of the director on April 29, 2019.

2 Basis of preparation

2.1 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. The financial statement provide comparative information in respect of the previous period.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.
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

Inventories are valued at lower of cost and net realisable value.
Stores and Spares:

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

c) Cash and cash equivalents

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

d) Property, plant and equipment (PPE)

Property, Plant and Equipment (including Capital Work-in-Progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset to its working condition for the intended use.

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

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

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

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

The Company has estimated the following useful life to provide depreciation on its certain Property, Plant and Equipment based on assessment made by expert and management estimate.

Assets	Estimated Useful Life
Leasehold Land Development & Assets Constructed on Lease Land	Over the balance period of Concession Agreement.
Marine structure & Dredged channel	Over the balance period of Concession Agreement.
Nylon coated belt on conveyor	4 Years
Fender	10 Years
Building RCC Frame Structure	Over the balance period of Concession Agreement.
Carpeted Roads	10 Years

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

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

e) Intangible assets

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

Intangible assets 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 are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss.

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

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

Intangible assets	Method of amortisation	Estimated Useful Life
Software	Straight line basis	5 Years or useful life whichever is less

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

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

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with Appendix A of Ind AS 11 'Service Concession Arrangements'. These assets are amortised based on the lower of their useful lives or concession period.

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

The estimated period of port concession arrangements ranges within a period of 20 – 40 years.

f) Revenue Recognition

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.

Port Operation Services

Revenue from port operation services including cargo handling, storage and other ancillary port services are recognized in the accounting period in which the services are rendered on proportionate completion method basis based on services completed till reporting date. Revenue is recognized based on the actual service provided to the end of reporting period as a proportion of total services to be provided.

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 standalone selling prices.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In determining the transaction price for the sale of port operation services, the Company considers the effects of consideration payable to the customer.

Income from SEIS

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

Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

g) Foreign Currency Translation

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

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. However, for practical reason, the Company uses an average rate if the average approximates the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception stated as below:.

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

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

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

h) Retirement and other Employee Benefits

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.

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.

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.

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

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

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

i) Borrowing Costs

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

j) Leases

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

The Company as a lessee

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

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

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

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

k) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year.

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

l) 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.

m) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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.

Current 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 (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

-When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The Company is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961.The current year is the fifth year of Company's operation and it proposes to start claiming tax holiday in the subsequent years only. In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

n) Impairment of non-financial assets

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

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

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

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

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

o) Provisions

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. The expense relating to a provision is presented in the statement of profit and loss.

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.

p) Fair value measurement

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

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

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

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

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

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 participant 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.

At each reporting date, the Management 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 Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

-Quantitative disclosures of fair value measurement hierarchy (refer note 23.2)

-Financial instruments (including those carried at amortised cost) (refer note 23.1)

q) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

> Debt instruments at amortised cost
> Debt instruments and derivatives at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The category is 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 except where the Company has given temporary waiver of interest not exceeding 12 months period. This category generally applies to trade, loans and other receivables.

Debt instrument at FVTPL

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has increased significantly, lifetime ECL is used.
ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.
The balance sheet presentation for various financial instruments is described below:
Financial assets measured as at amortised cost:
ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.
For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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

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

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

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

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

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

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

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

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

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

Any gains or losses arising from changes in the fair value of derivative financial instrument or on settlement of such derivative financial instruments are recognised in statement of profit and loss and are classified as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost.

2.3 Changes in accounting policies and disclosures

New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018:

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

The Company had to change its accounting policies and make certain retrospective adjustments following the adoption of Ind AS 115. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, 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, judgements 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. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

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 judgement 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.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits 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.

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Adani Vizag Coal Terminal Private Limited
Notes to Financials statements for the year ended March 31, 2019
Note 3 - Property, Plant and Equipment

₹ in Lacs

Particulars	Tangible assets						Intangible assets		
	Building	Furniture & fixtures	Office equipments	Computer equipment	Vehicles	Total	Port Infrastructure Rights	Software	Total
Cost									
As at April 01, 2017 (refer note 2.2(d))	**14.72**	**22.34**	**65.62**	**111.95**	**10.31**	**224.94**	**35,364.53**	**85.36**	**35,449.89**
Additions	-	-	-	-	-	-	5,200.00	-	5,200.00
Deductions/Adjustment	(0.29)		22.05	36.07	9.94	67.77	0.32	-	0.32
Exchange difference	-	-	-	-	-	-	538.37	-	538.37
As at March 31, 2018	**15.01**	**22.34**	**43.57**	**75.88**	**0.37**	**157.17**	**41,102.58**	**85.36**	**41,187.94**
Additions	-	-	9.12	26.73	-	35.85	12.51	30.00	42.51
Deductions/Adjustment	-	-	-	-	-	-	2,246.96	-	2,246.96
As at March 31, 2019	**15.01**	**22.34**	**52.69**	**102.61**	**0.37**	**193.02**	**38,868.13**	**115.36**	**38,983.49**
Depreciation and Impairment									
As at April 01, 2017	**0.60**	**4.55**	**32.91**	**47.21**	**3.86**	**89.13**	**4,314.05**	**28.41**	**4,342.46**
Depreciation for the year	0.22	1.75	9.56	12.87	0.84	25.24	1,638.15	13.42	1,651.57
Impairment for the year	-	-	-	-	-	-	15,518.00	-	15,518.00
Deductions/(Adjustment)	-	-	11.77	20.78	4.56	37.11	-	-	-
As at March 31, 2018	**0.82**	**6.30**	**30.70**	**39.30**	**0.14**	**77.26**	**21,470.20**	**41.83**	**21,512.03**
Depreciation for the year	0.30	2.36	8.05	15.26	0.05	26.02	2,122.08	18.97	2,141.05
Impairment Reversal for the year	-	-	-	-	-	-	5,295.00	-	5,295.00
As at March 31, 2019	**1.12**	**8.66**	**38.75**	**54.56**	**0.19**	**103.28**	**18,297.28**	**60.80**	**18,358.08**
Net Block									
As at March 31, 2019	13.89	13.68	13.94	48.05	0.18	89.74	20,570.85	54.56	20,625.41
As at March 31, 2018	14.19	16.04	12.87	36.58	0.23	79.91	19,632.38	43.53	19,675.91

4 Trade Receivables	As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Current		
Trade Receivables (refer note below)		
Considered good (refer note 33)	366.23	-
Considered doubtful	-	-
	366.23	-
Less: Allowance for credit losses	-	-
Total Trade Receivables	**366.23**	**-**

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.

Note :- Trade receivables are non-interest bearing and are generally on terms of 7 to 30 days. Reason for change in trade receivables is due to increase in operations and change in customer base.

5 Financial assets	As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Non-current		
Security and other deposits	101.31	72.26
	101.31	**72.26**
Current		
Security and other deposits	10.00	-
Non Trade receivable (refer note 33)	14.53	6.94
Loans and advances to employees	4.23	0.10
	28.76	**7.04**

6 Other Assets		As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Non Current			
Others (Unsecured)			
Deposits given		155.28	162.32
Balance with Government Authorities		-	1,854.57
SEIS License receivables		150.04	-
Advance income tax (Net of Provision for taxation)		49.29	79.55
		354.61	**2,096.44**
Current			
Advances recoverable in cash or in kind			
Unsecured, considered good (refer note 33)		23.13	11.64
	(A)	**23.13**	**11.64**
Others (Unsecured)			
Prepaid Expenses		1.21	-
Balances with Government Authorities		1,831.47	-
Accrued Revenue		0.17	-
	(B)	**1,832.85**	**-**
		1,855.98	**11.64**

7 Inventories (at lower of cost and net realisable value)	As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Stores and spares, fuel and lubricants	117.55	146.61
	117.55	**146.61**

8 Cash and cash equivalents	As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Balances with banks:		
Balance in current account	92.43	4.78
	92.43	**4.78**

9 Share capital

	As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Authorised		
1,05,00,00,00 Equity Shares of ₹ 10 each (1,05,00,00,00 Equity Shares of ₹ 10 each as at March 31, 2018)	10,500.00	10,500.00
	10,500.00	**10,500.00**
Issued, subscribed and fully paid up shares		
10,12,80,000 Equity Shares of ₹ 10 each (10,12,80,000 Equity Shares of ₹ 10 each as at March 31, 2018)	10,128.00	10,128.00
	10,128.00	**10,128.00**

Notes:

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

	As at March 31, 2019		As at March 31, 2018	
	No in Lacs	₹ in Lacs	No in Lacs	₹ in Lacs
As the beginning of the year	1,012.80	10,128.00	1,012.80	10,128.00
New Shares Issued during the year	-	-	-	-
As the end of the year	**1,012.80**	**10,128.00**	**1,012.80**	**10,128.00**

(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

	As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominee		
10,12,80,000 equity shares (Previous year 10,12,80,000) of ₹ 10 each	10,128.00	10,128.00

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

	Particulars	As at March 31, 2019	As at March 31, 2018
Equity shares of ₹ 10 each fully paid			
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	No in Lacs	1,012.80	1,012.80
	% Holding	100%	100%

10 Other Equity

	As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Retained earnings		
Opening Balance	(30,512.44)	(11,983.84)
Add : Profit / (Loss) for the year	2,936.92	(18,528.58)
Re-measurement gains / (losses) on defined benefit plans (net of tax)	(8.09)	(0.02)
Total Other Equity	**(27,583.61)**	**(30,512.44)**

Note:- Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

11 Borrowings

	As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Long term Borrowings		
Non-Current		
Inter Corporate Deposit (refer note (a)) (Unsecured)	10,795.98	2,089.98
Inter Corporate Deposit (refer note (b)) (Secured)	27,000.00	27,000.00
Borrowings from bank under suppliers credit (refer note (c) (Unsecured)	-	-
	37,795.98	**29,089.98**
Current maturities of long term borrowings		
Borrowings from bank under suppliers credit (refer note (c) (Unsecured)	-	6,015.11
Total current borrowing	**-**	**6,015.11**
Less: Amount shown under "other current financial liabilities" (refer note 12)	-	(6,015.11)
Net current borrowing	**-**	**-**
The above amount includes		
Secured borrowings	27,000.00	27,000.00
Unsecured borrowings	10,795.98	8,105.09
Total borrowings	**37,795.98**	**35,105.09**

Notes:

(a) The Inter Corporate Deposits of ₹ 10,795.98 lacs (Previous year ₹ 2,089.98 lacs) borrowed from the holding company carries interest @ 6.25% p.a. The amounts are borrowed in installments and are repayable on March, 2023. The repayment period is extendable with the mutual consent of both the parties and interest is payable on annually. The Company has received waiver of interest on borrowing from holding company for the period of one year w.e.f. April 1, 2018.

(b) The Inter Corporate Deposits of ₹ 27,000 lacs (Previous year ₹ 27,000 lacs) borrowed from the holding company carries interest @ 6.25% p.a. The amounts are borrowed for a period of thirteen years from the date of borrowings and bullet repayment on November 30, 2029. The repayment period is extendable with the mutual consent of both the parties and interest is payable on annually. The amounts are secured by mortgage of borrowers' machinery, other tangible movable and intangible assets, both present and future. The Company has received waiver of interest on borrowing from holding company for the period of one year w.e.f. April 1, 2018.

(c)Letter of Credit aggregating ₹ Nil (Previous year ₹ 6,015.11 lacs) are unsecured. This facilities availed from bank out of the facilities sanctioned to Adani Ports and Special Economic Zone Limited. Letter of Credit carries interest @ 3 months Euribor plus 50 basis point. The loan is repaid on August 07, 2018.

12 Other financial liabilities	**As at March 31, 2019 ₹ in Lacs**	**As at March 31, 2018 ₹ in Lacs**
Current		
Current maturities of long term borrowings (refer note 11)	-	6,015.11
Interest accrued but not due on borrowings	1,219.53	1,239.84
Capital creditors, retention money and other payable	51.90	50.18
Other Payable (refer note 33)	-	3,616.90
	1,271.43	**10,922.03**

b) 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

(₹ in Lacs)

Particulars	April 1, 2018	Cash Flows	Foreign Exchange Management	Changes in Fair Values / Other Changes	March 31, 2019
Long-Term Borrowings	35,105.09	2,791.57	(100.68)	-	**37,795.98**
Interest Accrued but not due	1,239.84	(114.99)	-	94.68	**1,219.53**
TOTAL	**36,344.93**	**2,676.58**	**(100.68)**	**94.68**	**39,015.51**

(₹ in Lacs)

Particulars	April 1, 2017	Cash Flows	Foreign Exchange Management	Changes in Fair Values / Other Changes	March 31, 2018
Long-Term Borrowings	34,166.02	81.92	857.15	-	**35,105.09**
Interest Accrued but not due	96.19	(368.79)	-	1,512.44	**1,239.84**
Derivatives	101.06	158.06	-	(259.12)	-
TOTAL	**34,363.27**	**(128.81)**	**857.15**	**1,253.32**	**36,344.93**

13 Provisions	**As at March 31, 2019 ₹ in Lacs**	**As at March 31, 2018 ₹ in Lacs**
Net Employee defined benefit liabilities		
Non-current		
Provision for gratuity (refer note 28)	-	0.67
Provision for compensated absences	-	0.83
	-	**1.50**
Current		
Provision for gratuity (refer note 28)	19.41	-
Provision for compensated absences	21.23	0.32
	40.64	**0.32**

14 Other Liabilities	**As at March 31, 2019 ₹ in Lacs**	**As at March 31, 2018 ₹ in Lacs**
Current		
Statutory liabilities	31.73	6.10
Deferred Income - Government Grant (refer note (i) below)	-	-
Contract Liabilities (Advance from customers) (refer note (ii) below)	36.29	-
	68.02	**6.10**

Notes :

(i) Movement of Government Grant (deferred income)

	As at March 31, 2019 ₹ in Lacs	**As at March 31, 2018 ₹ in Lacs**
Opening balance	**-**	**946.28**
Less: Amortised during the year	-	(946.28)
Closing balance	**-**	**-**
Current	**-**	**-**
Non Current	**-**	**-**

(ii) Contract liabilities include advances received to deliver Port Operation Services and as well as transaction price allocated to unsatisfied performance obligation in respect of Cargo Handling services The outstanding balances of these accounts increased in 2018-19 due to the continuous increase in the Company's customer base.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	For the year ended March 31, 2019 ₹ in Lacs	For the year ended March 31, 2018 ₹ in Lacs
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	-

15 Trade payables

	As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Payables to micro, small and medium enterprises (refer note 29)	3.15	-
Trade payables (refer note 33)	1,908.41	2,459.10
	1,911.56	**2,459.10**

16 Revenue from Operations

	For the year ended March 31, 2019 ₹ in Lacs	For the year ended March 31, 2018 ₹ in Lacs
Revenue from Contract with Customers		
- Income from Port Terminal Operations*	3,219.27	-
Other Operating Income		
- Export Incentive Income	150.04	-
	3,369.31	**-**

* Recognised revenue based on services transferred at a point in time

17 Other Income

	For the year ended March 31, 2019 ₹ in Lacs	For the year ended March 31, 2018 ₹ in Lacs
Interest Income from		
- Others	20.66	6.01
Unclaimed liabilities / excess provision written back	-	0.16
Profit on Sale / Disposal of Assets (net)	-	3.25
Scrap sale	0.14	-
Inventory Sale	-	1.55
Government Grant (refer note 14)	-	56.76
Miscellaneous Income	0.66	3.61
	21.46	**71.34**

18 Operating Expenses

	For the year ended March 31, 2019 ₹ in Lacs	For the year ended March 31, 2018 ₹ in Lacs
Cargo handling / Other charges to sub-contractors (net of reimbursement)	2,200.57	2.18
Railway Operating Expenses	196.33	-
Tug and Pilotage Charges	93.63	-
Other expenses including customs establishment charges	38.15	18.94
Repairs to Plant & Machinery	110.86	2.08
Repairs to Buildings	-	0.14
Power & Fuel	335.79	20.64
	2,975.33	**43.98**

19 Employee benefit expense

	For the year ended March 31, 2019 ₹ in Lacs	For the year ended March 31, 2018 ₹ in Lacs
Salaries and Wages	146.68	14.42
Contribution to Provident and Other Funds	5.19	0.83
Gratuity (refer note 28)	2.72	0.27
Staff Welfare Expenses	4.41	0.36
	159.00	**15.88**

20 Finance Costs

	For the year ended March 31, 2019 ₹ in Lacs	For the year ended March 31, 2018 ₹ in Lacs
Interest on		
- Fixed Loans, Buyer's Credit, Short Term etc.	56.70	1,471.49
- Others	-	9.10
Bank and other finance charges	37.98	31.85
	94.68	**1,512.44**
(Gain) on Derivatives / Swap Contracts (net)	-	(259.12)
	94.68	**1,253.32**

21 Other Expenses

	For the year ended March 31, 2019 ₹ in Lacs	For the year ended March 31, 2018 ₹ in Lacs
Rent	284.00	533.40
Directors Sitting Fee	0.48	1.17
Rates and Taxes	0.02	1.97
Communication Expenses	1.47	0.54
Office Expenses	10.45	0.22
Security Expenses	34.11	27.45
Travelling and Conveyance	36.04	6.80
Payment to Auditors (refer note a below)	2.42	2.15
Legal and Professional Expenses	16.60	37.12
Repairs and Maintenance (net of reimbursement)	8.64	2.98
Insurance (net of reimbursement)	10.43	11.65
Inventory Written off	9.38	-
Miscellaneous Expenses	39.42	14.89
	453.46	**640.34**

Note:

(a) Payment to Auditor	For the year ended March 31, 2019 ₹ in Lacs	For the year ended March 31, 2018 ₹ in Lacs
As Auditor:		
Audit fee	2.00	2.00
In other Capacity		
Certification Fees	0.20	-
Other Services	0.15	0.15
Reimbursement of expenses	0.07	-
	2.42	**2.15**

22 Income Tax

(a) The major components of income tax expenses for the years ended March 31, 2019 and March 31, 2018

Statement of profit and loss	For the year ended March 31, 2019 ₹ in Lacs	For the year ended March 31, 2018 ₹ in Lacs
Deferred Tax:		
Relating to origination and reversal of temporary differences	-	(867.19)
Income tax expenses reported in statement of profit and loss	**-**	**(867.19)**

(b) OCI section

Deferred tax related to items recognised in OCI during the year	For the year ended March 31, 2019 ₹ in Lacs	For the year ended March 31, 2018 ₹ in Lacs
Net loss/(gain) on remeasurement of defined benefit plans	-	-
Income tax charged to OCI	**-**	**-**

(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2019 and March 31, 2018

	March 31, 2019		March 31, 2018	
	%	₹ in Lacs	%	₹ in Lacs
Profit / (Loss) Before tax		2,936.92		(19,395.79)
Tax using the Company's domestic rate	26.00	763.60	25.75	(4,994.42)
Tax Effect of:				
Non Deductible Expenses	0.04%	1.12		
Temporary Difference	-6.04%	(177.32)		
Unrecognised Deferred Tax	-20.00%	(587.40)	-25.75%	4,994.42
Effective tax rate	**0.00%**	**-**	**0.00%**	**0.00**

(d) Deferred tax relates to following

Particulars	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Accelerated depreciation for tax purpose	1,249.43	995.95	253.48	121.22
Defined benefit liability		-	-	(1.15)
Deferred Tax Assets recognised to the extent of liability	(1,240.60)	(985.69)	(254.91)	(985.69)
Other temporary differences	(8.83)	(10.26)	1.43	(1.57)
Deferred tax liabilities	**0.00**	**(0.00)**	**(0.00)**	**(867.19)**

(e) Reconciliation of deferred tax liabilities	As at March 31, 2019 ₹ in Lacs	As at March 31, 2018 ₹ in Lacs
Tax (income) during the period recognised in statement of Profit and Loss	-	(866.04)
Tax (income) during the period recognised in OCI	-	(1.15)
	-	**(867.19)**

(f) The company has carried forward unabsorbed depreciation aggregating ₹ 19,519.62 lacs (Previous year ₹ 17,275.74 lacs) under the Income Tax Act,1961 for which there is no expiry date of its tax credit utilisation by the respective entities. Further the Company has carried forward losses aggregating ₹ 8,137.66 lacs (previous year ₹ 7,593.70 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 year 2022-23 to 2026-27.

Deferred tax assets has not been recognised in respect of these unabsorbed depreciation and carried forward losses as they may not be used to offset taxable profits of the company in future year and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company was able to recognise all unrecognised deferred tax assets, the loss would reduce by ₹ 7,190.89 lacs.

23 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

23.1 Category-wise Classification of Financial Instruments:

₹ in Lacs

Particulars	Refer Note	As at March 31, 2019			
		Fair Value through other Comprehensive Income	Fair Value through other Profit & Loss	Amortised Cost	Carrying value
Financial Asset					
Trade receivables	4	-	-	366.23	366.23
Cash and Cash Equivalents	8	-	-	92.43	92.43
Others financial assets	5	-	-	130.07	130.07
Total		**-**	**-**	**588.73**	**588.73**
Financial Liabilities					
Borrowings	11	-	-	37,795.98	37,795.98
Trade payables	15	-	-	1,911.56	1,911.56
Other financial liabilities	12	-	-	1,271.43	1,271.43
Total		**-**	**-**	**40,978.97**	**40,978.97**

₹ in Lacs

Particulars	Refer Note	As at March 31, 2018			
		Fair Value through other Comprehensive Income	Fair Value through other Profit & Loss	Amortised Cost	Carrying value
Financial Asset					
Trade receivables	4	-	-	-	-
Cash and Cash Equivalents	8	-	-	4.78	4.78
Others financial assets	5	-	-	79.30	79.30
Total		**-**	**-**	**84.08**	**84.08**
Financial Liabilities					
Borrowings	11	-	-	35,105.09	35,105.09
Trade payables	15	-	-	2,459.10	2,459.10
Other financial liabilities	12	-	-	4,906.92	4,906.92
Total		**-**	**-**	**42,471.11**	**42,471.11**

23.2 Fair Value Measurements:

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

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

₹ in Lacs

Particulars	As at March 31, 2019	As at March 31, 2018
	Significant observable Inputs (Level 2)	Significant observable Inputs (Level 2)
Financial Liabilities		
Derivative instruments	-	-
Total	**-**	**-**

b) Financial Instrument measured at Amortised Cost

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

23.3 Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. 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. The Company enters into derivative transactions.

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

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

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

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

Interest rate risk

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

Interest rate sensitivity

'The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31st March, 2019 would decrease / increase by ₹ Nil (for the year ended 31st March, 2018: decrease / increase by ₹ 30.08 Lacs). This is mainly attributable to interest rates on variable rate long term borrowings.

Foreign currency risk

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

(₹ in Lacs)

Sr. No.	Particulars	Impact on profit after tax For the year ended March 31, 2019	 For the year ended March 31, 2018
1	**EURO Sensitivity**		
	RUPEES / EURO – Increase by 1%	-	(60.35)
	RUPEES / EURO – Decrease by 1%	-	60.35

Credit risk

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

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

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

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

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company operates the port services at Vizag, the Company is significantly dependent on cargo from such customers which includes related parties. Out of total revenue, the Company earns ₹ 1,766.21 lacs of revenue during the year ended March 31, 2019 (previous year ₹ Nil) from such customers which constitutes 52.42 % (previous year Nil). Accounts receivable from such customer approximated ₹ 320.66 lacs as at March 31, 2019 and ₹ Nil lacs as at March 31, 2018. A loss of these customer could adversely affect the operating result or cash flow of the Company.

Liquidity risk

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

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

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

(₹ in Lacs)

Contractual maturities of financial liabilities as at March 31, 2019	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings (refer note 11 & 12)	37,795.98	-	-	10,795.98	27,000.00
Trade Payables (refer note 15)	1,911.56	1,911.56	-	-	-
Other Financial liabilities (refer note 12)	1,271.43	1,271.43	-	-	-
Total	**40,978.97**	**3,182.99**	**-**	**10,795.98**	**27,000.00**

(₹ in Lacs)

Contractual maturities of financial liabilities as at March 31, 2018	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 year
Borrowings (refer note 11 & 12)	35,105.09	6,015.11	-	2,089.98	27,000.00
Trade Payables (refer note 15)	2,459.10	2,459.10	-	-	-
Other Financial liabilities (refer note 12)	4,906.92	4,906.92	-	-	-
Total	**42,471.11**	**13,381.13**	**-**	**2,089.98**	**27,000.00**

23.4 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	March 31, 2019	March 31, 2018
Total Borrowings (refer note 11 and 12)	37,795.98	35,105.09
Less: Cash and bank balance (refer note 8)	92.43	4.78
Net Debt (A)	**37,703.55**	**35,100.31**
Total Equity (B)	**10,128.00**	**10,128.00**
Total Equity and Net Debt (C = A + B)	**47,831.55**	**45,228.31**
Gearing ratio	78.83%	77.61%

24 Earnings per share

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Profit / (Loss) for the year	2,936.92	(18,528.58)
Weighted average number of equity shares	1,012.80	1,012.80
Basic and Diluted earning per share (in ₹)	2.90	(18.29)

25 Capital commitments

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	10.01	-

26 Contingent liabilities not provided for

₹ in Lacs

Sr.No	Particulars	March 31, 2019	March 31, 2018
a	Statutory claim against company not acknowledged as debt	46.27	46.27
b	The Company has received demand notice of ₹ 181.73 lacs (including Penalty of ₹ 151.45 lacs) from Government of Andhra Pradesh, Department of Mines and Geology for evasion of Seigniorage fee of ₹ 30.28 lacs on utilization of Earth / Gravel in development of East Quay – 1 (EQ-1) in Vishakhapatnam Port Trust. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	181.73	-
c	The show cause notice received from Commissioner of CGST, Audit Commissionerate - Ahmedabad for wrongly availing of Cenvat credit/ Service tax credit and Education Cess credit on input services and steel, cement and other miscellaneous during financial year 2012-13 to 2016-17. The department has demanded recovery of the duty along with penalty and interest thereon. The Company is of the view that no liability shall arise on the Company.	741.94	-
d	The show cause notice received from Commissioner of Central Tax, Audit Commissionerate - Ahmedabad for non payment of Service tax on notice pay recovery for financial year 2014-15. The department has demanded payment of the duty along with penalty and interest thereon. The Company is of the view that no liability shall arise on the Company.	0.04	-

27 Segment information

The Company is primarily engaged in the business segment, namely developing, operating and maintaining the port services as determined by chief operational decision maker, in accordance with Ind AS 108 "Operating Segment". There being no business outside India, the entire business has been considered as single geographic segment.
Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

28 Disclosures as required by Ind AS - 19 Employee Benefits

The Company has a defined gratuity plan which is unfunded. 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:

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Present value of the defined benefit obligation at the beginning of the year	0.67	0.48
Current service cost	2.05	0.23
Interest cost	0.67	0.04
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(0.59)	-
- change in financial assumptions	2.59	(0.03)
- experience variance	6.10	0.04
Benefits paid	-	-
Liability Transfer In	7.93	-
Liability Transfer Out	-	(0.09)
Present value of the defined benefit obligation at the end of the year	**19.41**	**0.67**

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

₹ in Lacs

Contribution to	March 31, 2019	March 31, 2018
Present value of the defined benefit obligation at the end of the year	19.41	0.67
Fair value of plan assets at the end of the year	-	-
Amount recognised in the balance sheet	19.41	0.67
Net (liability)/asset - Current	19.41	-
Net (liability)/asset - Non-current	-	0.67

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

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Current service cost	2.05	0.23
Interest cost on benefit obligation	0.67	0.04
Total Expenses included in employee benefits expense	**2.72**	**0.27**

d) Recognised in the other comprehensive income for the year

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Actuarial (gain)/losses arising from		
- change in demographic assumptions	(0.59)	-
- change in financial assumptions	2.59	(0.03)
- experience variance	6.10	0.04
Return on plan assets, excluding amount recognised in net interest expense		-
Recognised in comprehensive income	**8.09**	**0.02**

e) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2019	March 31, 2018
Weighted average duration (based on discounted cash flows)	7 Years	20 Years

f) Expected Cash Flows over the next (valued on undiscounted basis)

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
1 year	6.83	0.00
2 to 5 year	4.44	0.04
6 to 10 year	5.51	0.08
More than 10 years	22.56	3.47

g) Quantitative sensitivity analysis for significant assumption is as below

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

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Discount rate			
Sensitivity level	1 % Increase	1 % Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(1.22)	1.41	(0.11)	0.14

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Salary Growth rate			
Sensitivity level	1 % Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	1.39	(1.22)	0.14	(0.11)

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Attrition rate			
Sensitivity level	50 % Increase	50 % Decrease	50% Increase	50 % Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(0.21)	0.00	(0.03)	0.03

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Mortality rate			
Sensitivity level	10 % Increase	10% Decrease	10 % Increase	10% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(0.00)	0.00	-	-

Sensitivity Analysis Method

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

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

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.60%	7.80%
Rate of escalation in salary (per annum)	8.00%	7.00%
Mortality	India Assured Live Mortality (2006-08)	India Assured Live Mortality (2006-08)
Attrition rate	7.75%	1% to 10%

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.

29 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.

₹ in Lacs

Sr No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. Principal Interest	 3.15 Nil	 Nil Nil
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

30 Derivative instruments and unhedged foreign currency exposure

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

Nature	As at March 31, 2019		As at March 31, 2018	
	Amount ₹ in Lacs	Foreign Currency In EURO	Amount ₹ in Lacs	Foreign Currency In EURO
Bills under letter of credit	-	-	6,015.11	74,43,750.00
Interest accrued but not due	-	-	20.31	25,133.58

Closing rates as at March 31, 2019:
INR / EURO = ₹ =77.67250

Closing rates as at March 31, 2018:
INR / EURO = ₹ =80.80750

31 Impairment of Property, Plant and Equipment

The Company is engaged in Port services under concession from Visakhapatnam port trust authorities of the Government of India. The port operations were suspended temporarily due to operational bottlenecks. The Port authority issued Consultation Notice to the company in accordance with the provisions of the Concession Agreement. As at March 31, 2018, the Company had assessed the appropriateness of the then carrying value of the Service Concession Rights and had recorded an impairment amounting to ₹ 15,518.00 lacs based on best estimates by the management. During the current financial year, on account of certain positive developments in operations such as permission for road movement, rake availability for cargo evacuation and entering into long term contract for cargo handling, the Consultation Notice has been withdrawn by the Port authority and the Company has resumed the port operations. The Project has also been classified as a "Stressed Project" by Port authority in accordance with the guidelines issued by the Ministry of Shipping in the current year. Such classification has/shall result in improving the operating efficiency and ultimately result in generation of cash and able to meet its financial obligation. As at March 31, 2019, the Company has reassessed the carrying values of Service Concession Rights and has reversed an impairment loss amounting to ₹ 5,295.00 lacs based on the estimates made by the management. The same is presented as an exceptional items for the year ended March 31, 2019.

32 Standards issued but not yet effective

The amendments to standards and new 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 new standards / certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2018. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended / issued the following standards:

1. Ind AS 116 - Lease
2. Ind AS 12 - Income Taxes
3. Ind AS 19 - Plan Amendment, Curtailment or Settlement

These amendments / new issued standards are effective for annual periods beginning on or after April 01, 2019. Application of these amendments / new issued standards will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

The Company is assessing the potential effect of the amendments / new issued standards on its financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

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Note 33- Related Parties transactions

Particulars	Name of Company
Holding Company	Adani Ports and Special Economic Zone Ltd
Fellow Subsidiary	The Dhamra Port Company Limited
	Adani Hazira Port Private Ltd
	Adani Petronet (Dahej) Port Private Limited
	Adani Murmugao Port Terminal Private Ltd
	Adani Vizhinjam Port Private Limited
	Adani Logistics Limited
	Adani Ennore Container Terminal Private Limited
	Adani Kandla Bulk Terminal Private Limited
Entities over which major shareholders of holding company are able to exercise Significant Influence through voting power	Adani Power Maharashtra Limited Adani Enterprises Limited Adani CMA Mundra Terminal Private Limited
Key Management Personnel	Mr. Ennarasu Karunesan, Managing Director (w.e.f. May 12, 2017) Mr. G. J. Rao, Managing Director (till May 11, 2017) Mr. G. J. Rao. Director Mr. Jay H. Shah, Non-Executive Director (till October 7, 2017) Mr. Ravi Bhamidipaty, Director (till April 27, 2018) Dr. Chitra Bhatnagar, Director Mr. Deepak Maheshwari, Director (w.e.f. April 27, 2018) Mr. Satya Prakash Mishra (Chief Financial Officer) Ms. Dipti Shah, Company Secretary (till July 31, 2018)

Terms and conditions of transactions with related parties

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

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.

Adani Vizag Coal Terminal Private Limited

Notes to the financials Statements for the year ended March 31 , 2019

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

₹ in Lacs

Transactions	Name of Related Party	March 31, 2019	March 31, 2018
Purchase of licenses	Adani Petronet (Dahej) Port Private Limited	-	1,649.98
	Adani Kandla Bulk Terminal Private Limited	-	199.56
Handling Income	Adani Power Maharashtra Limited	761.82	-
	Adani Enterprises Limited	245.48	-
Purchase of Inventory	Adani Ports and Special Economic Zone Ltd	4.77	-
Purchase of Property, Plant & Equipment	Adani Ennore Container Terminal Private Limited	6.19	-
	Adani Murmugao Port Terminal Private Ltd	0.50	-
Sale of scrap and capital inventory	Adani Hazira Port Private Ltd	-	1.11
	The Dhamra Port Company Limited	-	0.44
Services availed (Including reimbursement of expenses)	Adani Vizhinjam Port Private Limited	-	0.06
Expenses Recovered	Adani Power Maharashtra Limited	1.05	-
Interest Expenses	Adani Ports and Special Economic Zone Ltd	-	1,355.03
Sale of Asset	Adani Hazira Port Private Ltd	-	4.39
	Adani Ennore Container Terminal Private Limited	-	24.86
Sitting Fees	Mr. Jay H. Shah	-	0.47
	Dr. Chitra Bhatnagar	0.48	0.71
Inter Corporate deposit (taken)	Adani Ports and Special Economic Zone Ltd	11,735.00	1,136.09
Inter Corporate deposit (repaid)	Adani Ports and Special Economic Zone Ltd	(3,029.00)	(1,054.17)

Adani Vizag Coal Terminal Private Limited
Notes to the financials Statements for the year ended March 31 , 2019

₹ in Lacs

Closing Balance	Name of Related Party	March 31, 2019	March 31, 2018
Inter Corporate deposit	Adani Ports and Special Economic Zone Ltd	37,795.98	29,089.98
Other financial liabilities	Adani Ports and Special Economic Zone Ltd	1,219.53	1,219.53
Trade Payable	Adani Enterprises Limited	0.02	-
Other Payable	Adani Vizhinjam Port Private Limited	-	0.06
	Adani Petronet (Dahej) Port Private Limited	-	1,649.98
	Adani Kandla Bulk Terminal Private Limited	-	199.56
	TOTAL	**-**	**1,849.61**
Advance Recoverable in Cash or Kind	Adani CMA Mundra Terminal Private Limited	0.26	-
	Adani Ports and Special Economic Zone Ltd	0.45	-
	TOTAL	**0.71**	**-**
Trade Receivable	Adani Enterprises Limited	127.43	-
	Adani Power Maharashtra Limited	2.18	-
	TOTAL	**129.61**	**-**
Non Trade Receivable	Adani Logistics Limited	8.47	-
	Adani Vizhinjam Port Private Limited	2.75	-
	Adani Hazira Port Private Ltd	0.19	6.94
	The Dhamra Port Private Limited	3.12	-
	TOTAL	**14.53**	**6.94**

Notes:

(1) Managing Director of the company is in employment with the parent company, Adani Ports and Special Economic Zone Limited and he is paid remuneration by the parent company.

(2) The Company has taken letter of credit of ₹ Nil (previous year ₹ 6,015.11 lacs) and Bank Guarantee of ₹ Nil (previous year ₹ 10.00 lacs) out of limit available with the parent company. Similarly, Mr Ennarasu Karunesan is in employment with the parent Company, Adani Ports and Special Economic Zone Ltd and he has not taken remuneration from the Company.

34 Events occurring 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 the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of April 29, 2019, there were no subsequent events to be recognized or reported that are not already disclosed.

As per our report of even date

For DHARMESH PARIKH & CO.
Chartered Accountants
ICAI Firm Registration No.: 112054W

Anuj Jain
Partner
Membership No. 119140

Place: Ahmedabad
Date: April 29, 2019

For and on behalf of Board of Directors of
Adani Vizag Coal Terminal Private Limited

Ennarasu Karunesan
Managing Director
DIN :00200432

G. J. Rao
Director
DIN: 01724002

Satyaprakash Mishra
Chief Financial Officer

Place: Ahmedabad
Date: April 29, 2019