INDEPENDENT AUDITOR'S REPORT

To the Members of The Adani Harbour Services Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of The Adani Harbour Services Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Ind AS financial statements.

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

The Company's Board of Directors is responsible for the Information Other than the Financial Statements and Auditor's Report thereon. The Information Other than the Financial Statements and Auditor's Report thereon comprises the Directors Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the Information Other than the Financial Statements and Auditor's Report thereon and, in doing so, consider whether such Information Other than the Financial Statements and Auditor's Report thereon is materially inconsistent with the financial statements or our knowledge obtained in the 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 Information Other than the Financial Statements and Auditor's Report thereon, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2019, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

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, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and statement of Changes in Equity dealt with by this Report are in agreement with the books of;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies Indian Accounting Standards Rules, 2019, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;

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.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Santosh Aggarwal
Partner
Membership Number: 93669

Place of Signature: Ahmedabad
Date: May 25, 2019

Annexure 1 referred to in paragraph on Report on Other Legal and Regulatory Requirements of our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, the Company is still in the progress to get registration of Property, Plant and Equipment in the nature of Tug acquired under the scheme of arrangement in its name.

(b) All fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management, the Company does not have immovable properties included in the Property, Plant and Equipment and accordingly the reporting requirements under clause 3(i) (c) of the order are not applicable to the Company and hence not commented upon.

(ii) The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act 2013 are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services rendered by the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, services tax and other statutory dues, on account of dispute, are as follows:

Name of the statute	**Nature of the dues**	**Amount (Rs. in lacs)**	**Period to which the amount relates**	**Forum where the dispute is pending**
Finance Act, 1994	Service Tax	124.34*	2010-11 to 2014-15	Commissioner of Central Excise and Service Tax (Appeals)
Finance Act, 1994	Service Tax	47.50	2012-13	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax Penalty	32.54	AY 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Dues	47.26	AY 2017-18	Assessing Officer
The Gujarat Stamp Act, 1989	Stamp duty on acquisition of Marine structure	2,215.82#	FY 2017-18	Chief Controlling Revenue Officer,

*Paid Rs.0.09 lacs under protest against the demand.
Subsequent to year end, the Company has paid Rs.553.95 lacs under protest against the demand.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Santosh Aggarwal
Partner
Membership Number: 93669

Place of Signature: Ahmedabad
Date: May 25, 2019

Annexure 2 to the Independent Auditor's Report of Even Date on the Ind-AS Financial Statements of The Adani Harbour Services Pvt Ltd

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

We have audited the internal financial controls over financial reporting of The Adani Harbour Services Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 authorization 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 with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Santosh Aggarwal
Partner
Membership Number: 93669

Place of Signature: Ahmedabad
Date: May 25, 2019

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services 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	74,858.00	81,151.56
Capital Work in Progress	3	15.88	6.13
Other Non-Current Assets	6	13,776.69	2,849.62
Deferred Tax Assets (Net)	7	-	28.23
		88,650.57	**84,035.54**
Current Assets			
Inventories	8	1,194.92	662.17
Financial Assets			
(i) Trade Receivables	9	1,722.74	813.87
(ii) Cash and Cash Equivalents	10	73,985.10	2,351.39
(iii) Bank balance other than cash and cash equivalents	11	70,000.00	1,05,000.00
(iv) Loans	5	44,600.00	-
(v) Other Financial Assets	4	1,669.66	21,530.07
Other Current Assets	6	5,418.43	3,236.26
		1,98,590.85	**1,33,593.76**
Total Assets		**2,87,241.42**	**2,17,629.30**
Equity and Liabilities			
Equity			
Equity Share Capital	12	5,769.22	5,769.22
Other Equity	13	2,69,077.53	2,04,108.89
Total Equity		**2,74,846.75**	**2,09,878.11**
Liabilities			
Non-Current Liabilities			
Other Non-Current Liabilities	14	1,996.21	2,146.01
		1,996.21	**2,146.01**
Current Liabilities			
Financial Liabilities			
(i) Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises	15	1.63	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	768.10	1,164.74
(ii) Other Financial Liabilities	16	4,822.87	1,485.13
Other Current Liabilities	14	4,789.61	2,920.93
Provisions	17	16.25	34.38
		10,398.46	**5,605.18**
Total Liabilities		**12,394.67**	**7,751.19**
Total Equity and Liabilities		**2,87,241.42**	**2,17,629.30**

The accompanying notes form integral part of financials statements.

As per our report of even date
For S R B C & CO LLP
ICAI Firm Registration No.: 324982E / E300003
Chartered Accountants

For and on behalf of Board of Directors of

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")

per Santosh Aggarwal
Partner
Membership No. 93669

Capt. Unmesh Abhyankar
Managing Director
DIN: 03040812

Ennarasu Karunesan
Director
DIN: 00200432

Abhishek Bansal
Company Secretary

Azad Somani
Chief Financial Officer

Place: Ahmedabad
Date: May 25, 2019

Place: Ahmedabad
Date: May 25, 2019

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services 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	18	1,26,312.89	1,03,876.89
Other Income	19	11,054.00	839.96
Total Income		**1,37,366.89**	**1,04,716.85**
Expenses			
Operating Expenses	20	10,040.87	8,583.93
Revenue Share Expenses	27	1,523.22	1,461.25
Employee Benefits Expense	21	211.28	160.80
Depreciation and Amortization Expense	3	6,460.07	6,458.98
Foreign Exchange (Gain)/Loss (net)	24	1.50	(3.48)
Finance Costs	22	-	431.82
Other Expenses	23	1,787.66	497.44
Total Expenses		**20,024.60**	**17,590.74**
Profit Before Tax		**1,17,342.29**	**87,126.11**
Tax Expense:	28		
(a) Current Tax (Incl. as per Tonnage Tax provision of Income Tax Act)		3,707.12	190.85
(b) Tax (credit) / charge relating to earlier periods		(19.79)	17.88
(c) Less: Tax (credit) under Minimum Alternate Tax (MAT) (adjustment)		(3.65)	(1.26)
Total Tax Expense		**3,683.68**	**207.47**
Profit for the year		**1,13,658.61**	**86,918.64**
Other Comprehensive Income			
Items that will not to be reclassified to profit or loss			
Re-measurement (loss) net on defined benefit plans		(4.31)	(0.38)
Other Comprehensive Income for the Year		**(4.31)**	**(0.38)**
Total Comprehensive Income for the Year		**1,13,654.30**	**86,918.26**
Earnings per Share - (Face value of ₹ 10 each)			
Basic and Diluted (in ₹)	30	**197.01**	**150.66**

The accompanying notes form integral part of financials statements.

As per our report of even date
For S R B C & CO LLP
ICAI Firm Registration No.: 324982E / E300003
Chartered Accountants

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")

per Santosh Aggarwal
Partner
Membership No. 93669

Capt. Unmesh Abhyankar
Managing Director
DIN: 03040812

Ennarasu Karunesan
Director
DIN: 00200432

Abhishek Bansal
Company Secretary

Azad Somani
Chief Financial Officer

Place: Ahmedabad
Date: May 25, 2019

Place: Ahmedabad
Date: May 25, 2019

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Statement of Changes in Equity for the year ended March 31, 2019

₹ in Lacs

Particulars	Equity Share Capital	Other Equity - Reserves				Total
		Retained Earning	Securities Premium	Tonnage Tax Reserve (Refer note - 13.2)	Capital Reserve (Refer note 26)	
Balance as at April 01, 2017	**5,769.22**	**56,836.04**	**1,153.84**	**15,144.14**	**44,056.61**	**1,22,959.85**
Profit for the year	-	86,918.64	-	-	-	86,918.64
Other Comprehensive Income for the year	-	(0.38)	-	-	-	(0.38)
Total Comprehensive Income for the year	**-**	**86,918.26**	**-**	**-**	**-**	**86,918.26**
Transfer to Tonnage Tax Reserve	-	(17,293.00)	-	17,293.00	-	-
Balance as at March 31, 2018	**5,769.22**	**1,26,461.30**	**1,153.84**	**32,437.14**	**44,056.61**	**2,09,878.11**
Profit for the year	-	1,13,658.61	-	-	-	1,13,658.61
Other Comprehensive Income for the year	-	(4.31)	-	-	-	(4.31)
Total Comprehensive Income for the year	**-**	**1,13,654.30**	**-**	**-**	**-**	**1,13,654.30**
Transfer to Tonnage Tax Reserve	-	(21,325.48)	-	21,325.48	-	-
Tonnage Tax utilisation (Refer Note - 2.4)	-	3,346.70	-	(3,346.70)	-	-
Dividends on shares (Refer Note - 13.4)	-	(40,384.51)	-	-	-	**(40,384.51)**
Dividend Distribution Tax (DDT) (Refer Note - 13.4)	-	(8,301.15)	-	-	-	**(8,301.15)**
Balance as at March 31, 2019	**5,769.22**	**1,73,451.16**	**1,153.84**	**50,415.92**	**44,056.61**	**2,74,846.75**

The accompanying notes form integral part of financials statements.

As per our report of even date
For S R B C & CO LLP
ICAI Firm Registration No.: 324982E / E300003
Chartered Accountants

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")

per Santosh Aggarwal
Partner
Membership No. 93669

Capt. Unmesh Abhyankar
Managing Director
DIN: 03040812

Ennarasu Karunesan
Director
DIN: 00200432

Abhishek Bansal
Company Secretary

Azad Somani
Chief Financial Officer

Place: Ahmedabad
Date: May 25, 2019

Place: Ahmedabad
Date: May 25, 2019

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services 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
Cash flow from Operating Activities		
Profit Before Tax	1,17,342.29	87,126.11
Adjustments for:		
Depreciation and Amortisation	6,460.07	6,458.98
Loss on sale / discard of Property, Plant & Equipments	-	0.46
Excess provision Written Back	-	(1.00)
Unrealised foreign exchange (gain)	(0.50)	-
Finance Income	(10,188.71)	(331.49)
Profit on Sale of Current Investments (net)	(697.70)	(344.53)
Government Grant	(149.80)	(149.81)
Finance Cost	-	431.82
Operating profit before working capital changes	**1,12,765.65**	**93,190.54**
Movements in working capital :		
(Increase)/Decrease in Trade Receivables	(908.87)	2,960.50
(Increase) in Inventories	(532.75)	(9.18)
Decrease in Financial Assets	21,201.70	54,401.13
(Increase) in Other Assets	(7,375.17)	(736.66)
(Decrease)/Increase in Trade Payables	(395.17)	1,006.04
Increase in Financial Liabilities	3,337.74	1,485.13
Increase in Other Liabilities	1,868.69	2,229.91
(Decrease)/Increase in Provisions	(18.13)	34.00
Cash generated from operations	**1,29,943.69**	**1,54,561.41**
Direct taxes paid (net)	(6,046.47)	(2,973.19)
Net Cash Inflow from operating activities (A)	**1,23,897.22**	**1,51,588.22**
Cash flows from investing activities		
Payment for purchase of Property, Plant and Equipments (Including Capital work in progress and Capital Advances)	(3,522.96)	(6.13)
Payment for Purchase Consideration on acquisition of business	-	(44,300.00)
Investment in Mutual Fund	(6,40,163.00)	(2,55,770.00)
Proceeds from sale of Mutual Fund	6,40,860.70	2,56,114.53
Interest received	8,847.41	8.23
Payment for loan given to third party	(1,19,500.00)	-
Proceeds from loan received back from third party	83,500.00	-
Payment for loan given to parent company	(81,100.00)	-
Preceeds from loan received back from parent company	72,500.00	-
Fixed deposits in with Bank	(1,19,081.41)	(1,06,930.00)
Proceeds from Fixed Deposits with Bank	1,54,081.41	1,930.00
Net Cash (Outflow) from investing activities (B)	**(3,577.85)**	**(1,48,953.37)**
Cash flows from financing activities		
Proceeds from Inter corporate deposit from Parent Company	-	38,000.00
Intercorporate deposit repaid to Parent Company	-	(38,000.00)
Dividend paid (Including DDT)	(48,685.66)	-
Interest and Finance charges paid	-	(431.82)
Net Cash (Outflow) from financing activities (C)	**(48,685.66)**	**(431.82)**
Net increase in cash & cash equivalents (A + B + C)	71,633.71	2,203.03
Cash & cash equivalents at the beginning of the year	2,351.39	148.36
Cash & cash equivalents at the end of the year (Refer note - 10)	**73,985.10**	**2,351.39**
Component of Cash and Cash equivalents		
Balances with scheduled bank		
On current accounts	73,985.10	2,351.39
Total cash and cash equivalents (Refer note - 10)	**73,985.10**	**2,351.39**

Notes:
a) The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows notified under Section 133 of Companies (Indian Accounting Standard) Rules, 2015 (as amended).
b) Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given in note - 16(a).

The accompanying notes form integral part of financials statements.

As per our report of even date
For S R B C & CO LLP
ICAI Firm Registration No.: 324982E / E300003
Chartered Accountants

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")

per Santosh Aggarwal
Partner
Membership No. 93669

Capt. Unmesh Abhyankar
Managing Director
DIN: 03040812

Ennarasu Karunesan
Director
DIN: 00200432

Abhishek Bansal
Company Secretary

Azad Somani
Chief Financial Officer

Place: Ahmedabad
Date: May 25, 2019

Place: Ahmedabad
Date: May 25, 2019

1 Corporate information

The Adani Harbour Services Private Limited (Formerly known as TM Harbour Services Private Limited) ('TAHSPL', ' the Company'), is a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited w.e.f. November 8, 2016 domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The principal activity of the company is to provide Tonnage, Towage and Marine services at various ports. The registered office of the company is located at 'Adani House', Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009.
The Commercial operations of the company were commenced from September 2, 2010.

The Financial statement were authorised for issue in accordance with a resolution of directors on May 25, 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 ammended) and presentation requirements of Division II of Schedule III of the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable to the Company.
The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.
- Defined Benefit Plans - Plan Assets measured at fair value; and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current

Deferred tax 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) Foreign currency transactions

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, 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.
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.

c) Fair value measurement

The Company measures financial instruments, such as current investments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market 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 recurring fair value measurement, such as, investment in mutual funds 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.

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.

-Disclosures for valuation methods, significant estimates and assumptions (refer note 29)

-Financial instruments (including those carried at amortised cost) (refer note 29)

d) 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.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.4.

Income from Marine, Tonnage and Towage Services

Revenue from Marine operations including pilotage and towage services are recognized in the accounting period in which the 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 services.

In cases, where the contracts include multiple contract obligations, the transaction price will be allocated to each performance obligation based on the standalone selling prices. Where these prices are not directly observable, they are estimated based on 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 Marine, Tonnage and Towage services, the Company considers the effects of variable consideration and consideration payable to the customer.

Variable consideration in the form of Volume Discount

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception in some of the contact term and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the Marine, Tonnage and Towage Services provide customers with volume rebates. The Company provides retrospective volume rebates to certain customers once the quantitative factors / conditions exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer on one to one basis. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

e) Other Operating income / Other income

Income from SEIS

Income from Services Exports from India Scheme ("SEIS") incentives under the Government of India's Foreign Trade Policy 2015-20 on Marine, Tonnage and Towage services income are classified as "Other Operating Income" and this income is recognised based on the effective incentive rate 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".

During the current year, the Company has revisited estimates for accrual of SEIS Incentive received on port operation services on the basis of actual realisation of incentive of the previous years.

On account of such change in estimates, Income from SEIS on Services is higher by ₹ 1,496.97 lacs and profit for the year has been increased by ₹ 1,496.97 lacs for the current year.

Further, since measurement of SEIS are depending up on Income from the Tonnage and Towage Operations, effect of change in estimates mentioned above in future periods in impracticable to measure as at March 31, 2019.

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.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

f) Government Grants

Government Grants are recognised 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 period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

g) 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.

h) Property, plant and equipment (PPE)

Property, Plant and Equipment (PPE) (including capital work-in-progress) 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 statement of profit or loss as incurred.

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 & 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.

Type of Assets	Estimated Life
Tugs	20 Years
Tug- Out fitting Items	15 Years

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.

i) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction 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) 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.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

l) Taxes:

Tax expense comprises of current income tax and deferred tax

i) Current income tax

Current tax (including Minimum Alternate Tax) is the amount of tax payable as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company under section 115V of the Income Tax Act, 1961, and tax payable on other taxable income for the year determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws. 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised 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.

ii) Deferred tax

Deferred tax is provided using the liability method 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 to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, 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 is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.

Pursuant to the introduction of Section 115VA under the Income-tax Act, 1961, the Company has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus, income from the business of operating ships is assessed on the basis of the Deemed Tonnage Income of the Company and no deferred tax is applicable to such income as there are no timing differences. The timing differences in respect of the non-tonnage activities of the Company are not material, in view of which provision for deferred taxation is not considered necessary.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The Company recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit as an asset only to the extent that there is sufficient taxable temporary difference /convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

m) 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.

n) Retirement and other employee benefits

Defined Contribution Plan

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

Defined Benefits Plan

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is 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

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

Compensated Absences

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.

o) Financial Instruments

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

Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in note 2.2 (d) Revenue from contracts with customers.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

- Debt instruments at amortised cost

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as (Fair Value Through Other Comprehensive Income) 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 115.

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. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

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

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

Financial assets measured as at amortised cost:

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

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, 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.

Subsequent measurement

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

Financial Liability at Amortised Cost

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

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

This category generally applies to borrowings.

Derecognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

p) Segment Reporting

In accordance with the Ind-AS 108 -" Operating Segments" , the Company has determined its business segment as providing marine services to ports. Since there are no other business segments in which the Company operates, there are no other primary reportable segments.

q) Cash and cash equivalents

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

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

r) Business Combination

Business Combination have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes fair value of any contingent considerations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at the fair value on the date of acquisition.

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method the assets and liabilities of the combining entities / business are reflected at their carrying value.

The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

The difference between total consideration paid and the aggregate historical carrying amounts of assets and liabilities of the acquired entity shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes, except in case where different accounting treatment specified in the court approved scheme.

Transaction costs that the Company incurs in connection with a business combination such as legal fees, stamp duty charges, due diligence fees and other professional consulting fees are expensed as incurred."

s) Earnings per share

Basic earning per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

t) Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.3 Changes in accounting policies and disclosures

New and amended standards

The following standards and amendments became applicable for the first time for the 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

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

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

2.4 Significant judgements, accounting 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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Company applied the following judgement that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts with customers include obligation of volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which customers will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from Marine, Tonnage and Towage Services with volume rebates. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract with the customers.

Before adjusting any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

Estimates and assumptions

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

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. Further details on taxes are disclosed in note 28.

Tonnage tax reserve

'This reserve is a statutory reserve as per provision of section 115VT of the Income Tax Act, 1961 for the purpose of complying with the conditions for applicability of tonnage tax scheme. The Company has utilised reserve based on the section 115VT of the Income Tax Act, 1961 which require utilization of reserve for the purpose of acquiring ship including advance paid for the purpose of purchase of ship. The Company, based on legal advise, has estimated that as long as the intent is acquisition of a ship, payment made as advance for the purpose of purchase ship should not impact the utilization criteria prescribed u/s 115VT of the Act.

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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 35.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect thereported fair value of financial instruments. Refer Note 29 for further disclosures.

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The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Notes to Financial statements for the year ended March 31, 2019
Note 3 - Property, Plant and Equipment

₹ in Lacs

Particulars	Property, Plant and Equipment							
	Temporary Structure	Plant & Equipment	Furniture & fixtures	Office equipments	Computer equipment	Vehicles	Tugs	Total
Cost								
As at April 1, 2017	**-**	**7.00**	**0.86**	**3.77**	**-**	**0.21**	**1,00,089.37**	**1,00,101.21**
Additions	-	-	-	-	-	-	-	**-**
Deductions/Adjustment	-	(0.07)	(0.25)	(0.44)	-	-	-	**(0.76)**
As at March 31, 2018	**-**	**6.93**	**0.61**	**3.33**	**-**	**0.21**	**1,00,089.37**	**1,00,100.45**
Additions	4.54	7.16	-	4.34	5.03	-	145.44	166.51
Deductions/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2019	**4.54**	**14.09**	**0.61**	**7.67**	**5.03**	**0.21**	**1,00,234.81**	**1,00,266.96**
Depreciation and Impairment								
As at April 1, 2017	**-**	**1.80**	**0.24**	**1.49**	**-**	**0.06**	**12,486.61**	**12,490.20**
Depreciation for the year	-	0.88	0.14	1.01	-	0.03	6,456.92	6,458.98
Deductions/(Adjustment)	-	(0.07)	(0.05)	(0.17)	-	-	-	(0.29)
As at March 31, 2018	**-**	**2.61**	**0.33**	**2.33**	**-**	**0.09**	**18,943.53**	**18,948.89**
Depreciation for the year	0.33	1.03	0.11	1.03	0.59	0.03	6456.95	6,460.07
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2019	**0.33**	**3.64**	**0.44**	**3.36**	**0.59**	**0.12**	**25,400.48**	**25,408.96**
Net Block								
As at March 31, 2018	**-**	**4.32**	**0.28**	**1.00**	**-**	**0.12**	**81,145.84**	**81,151.56**
As at March 31, 2019	**4.21**	**10.45**	**0.17**	**4.31**	**4.44**	**0.09**	**74,834.33**	**74,858.00**

Note:-
(a) The Company has elected to continue with the carrying value for all of its Property, plant and equipments as recognised in its previous GAAP financial, as deemed cost at the transition date i.e. April 1, 2015 as per option permitted under Ind AS 101 for the first time adoption.
(b) Out of total value of ₹ 43,050.76 lacs of property, plant and equipment acquired under the Scheme of Arrangement, Tugs value of amounting ₹ 18,476 lacs (previous year ₹ 59,238 lacs) are in the process of getting registration in the Company's name with the regulatory authorities.
(c) Temporary structure represent pre-febricated structure at port locations.

Capital Work in Progress

Particulars	**Amount (₹ in Lacs)**
Carrying Amount:	
As at March 31, 2018	6.13
As at March 31, 2019	15.88

* Capital Work in Progress consists of Project Material Items.

4 Other Financial assets

(refer note - 26)	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Current		
Security and other deposits (Unsecured, considered good)	0.35	0.35
Interest accrued on bank deposits	69.90	323.26
Interest accrued on loans	1,594.65	-
Non Trade Receivable (Refer Note below)	-	21,205.26
Loans and advances to employees	4.76	1.20
	1,669.66	**21,530.07**
Dues from Related Parties included in above (Refer Note :- 37)	**1,186.07**	**21,205.26**

Note:- Non-Trade Receivables includes consideration receivables from the transferor companies under Scheme of Arrangement pertaining to the operations of marine business undertaking from the appointed date April 01, 2016 to date of transfer i.e August 31, 2017.

5 Loans - Current

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Loans Receivables considered good - secured	-	-
Loans Receivables considered good - unsecured (Refer Note (a) below)	44,600.00	-
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
	44,600.00	**-**

Notes:

a. Break up of Loans given:	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Loans Receivables from others (Refer Note (b) below)	36,000.00	-
Loans Receivables from Parent Company (Refer Note :- 37)	8,600.00	-
	44,600.00	**-**

b.Loans to others include inter-corporate deposits aggregating ₹ 36,000 Lacs (previous year "Nil") to third parties. These deposits are given at prevailing market interest rates. The Company has received adequate undertaking on record by its parent company to safeguard the full recovery of this amount together with the interest there on. In the opinion of the Company, all these loans /deposits are considered good and realisable as at the year end.

6 Other Assets

(refer note - 26)	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Non Current		
Capital Advances		
Unsecured, considered good	3,346.70	-
	3,346.70	**-**
Others (Unsecured)		
Government incentive receivables (also Refer note 2.2 (e))	5,193.00	-
Advance Income Tax (Net of Provision for taxation)	5,236.99	2,849.62
	10,429.99	**2,849.62**
	13,776.69	**2,849.62**
Current		
Advances recoverable in cash or in kind		
Unsecured, considered good (Refer Note - 26)	972.95	355.68
	972.95	**355.68**
Others (Unsecured)		
Prepaid Expenses	4.86	6.51
Contract Assets (Refer below note 3)	334.28	270.93
Goods and Service Tax Credit Receivable	33.72	27.61
Duty paid under protest	9.30	9.30
Government incentive receivables (also Refer note 2.2 (e))	4,063.32	2,566.23
	4,445.48	**2,880.58**
	5,418.43	**3,236.26**

Notes:-

1) No advance or deposit 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 respectively, in which any director is a partner, a director or a member.

2) Government grant in the nature of SEIS

SEIS allows Service providers of eligible services to entitlement of Duty credit Scrip at notified rates on net foreign exchange earned. The duty credit scrip being Government Grant, is accounted as stated in the Accounting policy on Government Grant. During the year, company has recognised income of ₹ 6690.09 Lacs (Previous Year – ₹ 3,383.94 Lacs) on account of SEIS scheme. There are no unfulfilled conditions or other contingencies attaching to these grants.

3) Contract assets are the right to consideration in exchange for goods and services transferred to the customer. Contract assets are initially recognised for revenue earned from port operation services as receipt of consideration is conditional on successful completion of services. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to Trade Receivables. Reason for change in balance of contract assets is due to change in billing status of the services provided to customer, as at year end.

7 Deferred tax Assets

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Deferred Tax Assets (Refer Note - 28)	-	28.23
	-	**28.23**

8	**Inventories (valued at lower of cost or net realisable value)**	**March 31, 2019**	**March 31, 2018**
	(refer note - 26)	**₹ in Lacs**	**₹ in Lacs**
	Stores and spares	1,194.92	662.17
		1,194.92	**662.17**

9	**Trade Receivables - Current**	**March 31, 2019**	**March 31, 2018**
	(refer note - 26)	**₹ in Lacs**	**₹ in Lacs**
	Trade Receivables		
	- Secured, considered good	-	-
	- Unsecured, considered good	1,722.74	813.87
	- Trade Receivables which have significant increase in credit risk	-	-
	- Trade Receivables - credit impaired	-	-
		1,722.74	**813.87**
	Less : Allowance for credit losses	-	-
	Total Trade Receivables	**1,722.74**	**813.87**
	Dues from Related Parties included in above (Refer Note :- 37)	**105.20**	**8.77**

1) 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 respectively, in which any director is a partner, a director or a member.
2) Generally, as per credit terms trade receivable are collectable within 0-90 days including with the related parties. Trade Receivables are non-interest bearing. Reason for change in trade receivables is due to increase in operations and change in customer base.

10	**Cash and cash equivalents**	**March 31, 2019**	**March 31, 2018**
	(refer note - 26)	**₹ in Lacs**	**₹ in Lacs**
	Balances with banks:		
	Balance in current account	73,985.10	2,351.39
		73,985.10	**2,351.39**

11	**Bank balances other than cash and cash equivalents**	**March 31, 2019**	**March 31, 2018**
		₹ in Lacs	**₹ in Lacs**
	Deposits with original maturity over 3 months but less than 12 months	70,000.00	1,05,000.00
		70,000.00	**1,05,000.00**

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12 Equity Share capital

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Authorised share capital:		
8,00,00,000 Equity Shares of ₹ 10 each (31.03.2018: 8,00,00,000 Equity Shares of ₹ 10 each)	8,000.00	8,000.00
	8,000.00	**8,000.00**
Issued, subscribed and fully paid up shares:		
5,76,92,155 Equity Shares of ₹ 10 each (31.03.2018: 5,76,92,155 Equity Shares of ₹ 10 each)	5,769.22	5,769.22
	5,769.22	**5,769.22**

Notes:

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

	March 31, 2019		March 31, 2018	
	No. in Lacs	₹ in Lacs	No. in Lacs	₹ in Lacs
As the beginning of the year	576.92	5,769.22	576.92	5,769.22
New Shares Issued during the year	-	-	-	-
As the end of the year	**576.92**	**5,769.22**	**576.92**	**5,769.22**

(b) Terms/rights attached to equity shares:

(i) The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.

(ii) For the current financial year 2018-19 the board of directors has proposed dividend per share of ₹ 3.00 to equity share holders. (Declared for the previous financial year Final Dividend per share of ₹ 70.00).

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

(c) Shares held by parent company

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

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Adani Ports and Special Economic Zone Limited, the parent company and its nominee		
5,76,92,155 equity shares of ₹ 10 each	5,769.22	5,769.22
	5,769.22	**5,769.22**

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

	Particulars	March 31, 2019	March 31, 2018
Equity shares of ₹ 10 each fully paid			
Adani Ports and Special Economic Zone Limited, the parent company and its nominee	No in Lacs	576.92	576.92
	% Holding	100.00%	100.00%

13 Other Equity - Reserves

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Capital Reserve (Refer Note - 13.1)	44,056.61	44,056.61
	44,056.61	**44,056.61**
Share premium		
Equity share premium	1,153.84	1,153.84
	1,153.84	**1,153.84**
Tonnage Tax Reserve u/s 115 VT of The Income Tax Act, 1961 (Refer Note - 13.2)		
(To be utilised only for the purpose specified therein)	50,415.92	32,437.14
	50,415.92	**32,437.14**
Retained Earnings (Refer Note - 13.3)		
Retained Earnings	1,73,451.16	1,26,461.30
	1,73,451.16	**1,26,461.30**
	2,69,077.53	**2,04,108.89**

13.1 Capital Reserve

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Balance at the beginning of the year	44,056.61	-
Recognised on Account of scheme of arrangement (refer note - 26)	-	44,056.61
Balance at the end of the year	**44,056.61**	**44,056.61**

During the previous year, the Company has accounted for the merger in accordance with the provisions of the Schemes as approved by the National Company Law Tribunal, Ahmedabad (NCLT) whereby the assets and liabilities of the Marine Business Undertaking of the Transferor Companies i.e. APSEZL, AHPPL and APDPPL have been recognised at their carrying value in the books of the Transferor Companies as at April 01, 2016. The excess of the carrying value of net assets over the total consideration payable by the company for the Marine Business Undertaking on the appointed date has been treated as Capital Reserve.

Refer note - 26 for more details

13.2 Tonnage Tax Reserve u/s 115 VT of The Income Tax Act, 1961

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Balance at the beginning of the year	32,437.14	15,144.14
Add: Transferred from Retained earnings (refer note - 13.3)	21,325.48	17,293.00
Less: Utilisation of Tonnage Tax Reserve (Refer note - 2.3 & 13.3)	(3,346.70)	-
Balance at the end of the year	**50,415.92**	**32,437.14**

The Company has opted for Tonnage Tax Scheme u/s 115V of the Income Tax Act, 1961. Accordingly Section 115 VT of The Income Tax Act, 1961 require the Company to create Tonnage Tax Reserve and transfer the amount equivalent to 20% of the book profits to such reserve. This reserve is utilized in accordance with the provisions of Section 115VT (3) of the Income Tax Act, 1961.

13.3 Retained Earnings
(Also refer note - 26)

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Balance at the beginning of the year	1,26,461.30	56,836.04
Add: Profit for the year	1,13,658.61	86,918.64
Add: Tonnage Tax Reserve Utilisation (Refere Note - 13.2)	3,346.70	
Less: Re-measurement (losses) on defined benefit plans	(4.31)	(0.38)
Less: Transfer to Tonnage Tax Reserve (Refer Note - 13.2)	(21,325.48)	(17,293.00)
Less: Dividend on Shares Paid	(40,384.51)	-
Less: Tax on Dividend paid	(8,301.15)	-
Balance at the end of the year	**1,73,451.16**	**1,26,461.30**

13.4 Distribution Made and Proposed

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Cash Dividend on Equity Share paid		
Final Dividend for the year ended March 31, 2018 (₹ 70.00 per Share)	40,384.51	-
Dividend Distribution Tax on above	8,301.15	-
	48,685.66	**-**
Proposed Dividend on Equity Share		
Final Dividend for the year ended (₹ 3.00 per Share) (Previous year ₹ 70.00 per Share)	1,730.76	40,384.51
Dividend Distribution Tax on above	355.76	8,301.15
	2,086.53	**48,685.66**

During the year 2018-19, the company has paid an amount of ₹ 48,685.66 lacs as a dividend (including dividend distribution tax thereon) which has been proposed in financial year 2017-18.

Proposed dividend on equity shares are subject to approval at Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2019.

14 Other Liabilities
(Refer note - 26)

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Non Current		
Deferred Government Grant (Refer Note - a & b below)	1,996.21	2,146.01
	1,996.21	**2,146.01**
Current		
Statutory liability (Net of GST Credit - ₹ 133.88 Lacs (Previous year - ₹ 479.98 Lacs))	1,288.92	812.42
Deferred Government Grant (Refer Note - a & b below)	149.80	149.80
Contract Liability (Refer note 2.2 (d) and below note (c))	3,350.89	1,958.71
	4,789.61	**2,920.93**

Note:-

a) Export Promotion Capital Goods (EPCG):

EPCG scheme allows import of certain capital goods at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant. There are no unfulfilled conditions or other contingencies attaching to these grants.

b) Movement in Deferred Government Grant :-

Particulars	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Opening Balance	2,295.81	2,445.62
Less: Amortization during the year	(149.80)	(149.81)
Closing Balance	**2,146.01**	**2,295.81**

c) Contract Liability

Contract liabilities include advances received from customer to deliver Marine, Tonnage and Towage Operation Services. The outstanding balances of these amounts 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.

Particulars	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Revenue recognised during the year that was included in the contract liability balance at the beginning of the period	1,958.71	279.66
	1,958.71	**279.66**

		March 31, 2019	March 31, 2018
15	**Trade payables**		
	(Refer note - 26)	**₹ in Lacs**	**₹ in Lacs**
	Total outstanding dues of micro enterprises and small enterprises (Refer Note - 34)	1.63	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	768.10	1,164.74
		769.73	**1,164.74**
	Dues to Related Parties included in above (Refer Note :- 37)	**11.73**	**544.93**

		March 31, 2019	March 31, 2018
16	**Other Financial Liabilities (At amortised cost)**		
	(Refer note - 26)	**₹ in Lacs**	**₹ in Lacs**
	Current		
	Revenue Share Payable (Refer Note - 27)	295.42	154.51
	Refund Liability (Refer Note - b below)	4,518.60	1,329.22
	Retention money and Other Payables	8.85	1.41
		4,822.87	**1,485.13**
	Dues to Related Parties included in above (Refer Note :- 37)	**295.42**	**154.51**

Notes:-

a) Ind AS 7 Statement of Cash Flows: Disclosure Initiative

Ind AS 7 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). During the year there has been no other change in liabilities arising from financing activities apart changes arising from cash flows statement.

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

		March 31, 2019	March 31, 2018
17	**Provisions**	**₹ in Lacs**	**₹ in Lacs**
	Current		
	Provision for gratuity (Refer note - 35)	2.49	23.01
	Provision for compensated absence	13.76	11.37
		16.25	**34.38**

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18 Revenue from Operations

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Revenue from Contract with Customers		
Income from Marine, Tonnage and Towage Services*	1,19,620.30	1,00,463.95
Other Operating Income		
- Government Incentives on services (refer note 2.2(d))	6,692.59	3,412.94
	1,26,312.89	**1,03,876.89**

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

Reconciliation of revenue recognised with contract price:

Particulars	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Contract Price	**1,23,166.33**	**1,03,747.82**
Adjustment for:		
Refund liabilities (Refer Note 16 (b))	(3,608.27)	(3,484.01)
Contract Assets (Refer Note 6 (3))	62.24	200.14
Revenue from Contract with Customers	**1,19,620.30**	**1,00,463.95**

19 Other Income

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Interest Income from financial assets measured at amortise cost		
Bank deposits	7,772.64	331.49
Loans and Non-Trade Receivables	2,416.07	-
Unclaimed liabilities / excess provision written back	-	1.00
Profit on sale of Investment in Mutual Fund	697.70	344.53
Amortization of Government Grant	149.80	149.81
Miscellaneous Income	17.79	13.13
	11,054.00	**839.96**

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20 Operating Expenses	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Tug and Pilotage Charges	3,395.01	3,051.77
Repairs to Tugs	503.89	439.32
Store & Spares consumed	1,701.19	919.21
Repairs to others	0.27	7.66
Power & Fuel	4,433.64	4,121.16
Other expenses	6.87	44.81
	10,040.87	**8,583.93**

21 Employee benefit expense	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Salaries, Wages and Bonus	179.78	152.77
Contribution to Provident and Other Funds (Refer Note - 35) (A)	7.77	2.97
Gratuity expense (Refer Note - 35) (B)	3.16	3.82
Staff Welfare Expenses	20.57	1.24
	211.28	**160.80**

22 Finance Costs	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Interest on		
Fixed Loans, Buyer's Credit, Short Term etc.	-	431.68
Bank and other finance charges	-	0.14
	-	**431.82**

23 Other Expenses	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Rent (Refer Note 1 below)	20.75	-
Rates and Taxes (Refer Note 32 (3))	443.34	1.30
Insurance	178.49	130.33
Advertisement and Publicity	-	10.23
Repairs and Maintenance - Others	24.95	46.01
Legal and Professional Expenses	140.04	84.50
Management Support Fees (Refer Note - 37)	131.63	126.00
Payment to Auditors (Refer Note 2 below)	10.91	6.35
Communication Expenses	0.72	-
Electric Power Expenses	2.10	-
Office Expenses	173.32	53.89
Travelling and Conveyance	33.68	8.01
Directors Sitting Fee	-	0.89
Loss on sale/discard of property, plant and equipment (net)	-	0.46
Corporate Social Responsibility Expenses (CSR) (Refer Note - 3 below)	603.00	26.50
Miscellaneous Expenses	24.73	2.97
	1,787.66	**497.44**

Note : 1

Assets taken under Operating Leases –

A residential houses for staff accommodation are generally obtained on operating leases. The lease rent terms are generally for an eleven months period and are renewable by mutual agreement. There are no sub-leases and leases are cancellable in nature. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements. Expenses of ₹ 20.75 Lacs (previous year "NIL") incurred under such leases have been expensed in the statement of profit & loss.

Note: 2

Payment to Auditor	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
As Auditor:		
Statutory Audit Fee (Refer Note Below)	7.75	3.26
Limited Review	3.00	3.00
In other Capacity		
Certification Fees	-	-
Other Services	-	-
Reimbursement of expenses	0.16	0.09
	10.91	**6.35**

Note :- ₹ 2.25 lacs pertains to previous year billed during the current year.

Note: 3

'Details of Expenditure on Corporate Social Responsibilities

Particulars	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
(i) Gross Amount required to be spent during the year	603.00	26.34
(ii) Amount spent during the year ended		

Particulars	In Cash	Yet to be paid in Cash	TOTAL
March 31, 2019			
i) Construction/ acquisition of any asset	-	-	-
ii) On Purpose other than (i) above	603.00	-	603.00
Total	**603.00**	**-**	**603.00**
March 31, 2018			
i) Construction/ acquisition of any asset	-	-	-
ii) On Purpose other than (i) above	26.50	-	26.50
Total	**26.50**	**-**	**26.50**

24 Foreign Exchange (Gain)/Loss (net)	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Foreign Exchange (Gain)/Loss (net)(Refer Note Below)	1.50	(3.48)
	1.50	**(3.48)**

Note:- Includes foreign exchange (gain) / loss (net) on reinstatement of trade payables or other payables.

25 During the year ended March 31, 2017, the Board of Directors of the Company (subsidiary of Adani Ports and Special Economic Zone Limited w.e.f. December 08, 2016) had approved the scheme of arrangement ('the Schemes') between the Company and its holding company, Adani Ports and Special Economic Zone Limited (APSEZL), fellow subsidiary companies, Adani Hazira Port Private Limited (AHPPL) and Adani Petronet (Dahej) Port Private Limited (APDPPL), where by it was proposed to transfer Marine Business Operations of APSEZL, AHPPL and APDPPL to the Company w.e.f. April 01, 2016 on slump sale basis through the respective Schemes. National Company Law Tribunal (NCLT) approved the respective schemes on August 23, 2017, August 14, 2017 and August 14, 2017, respectively. The Schemes required the Company to account for the Marine Business Undertaking from the appointed date, i.e. April 01,2016 though the Company took control over Marine Business Operations of APSEZL, AHPPL amd APDPPL on implementation of the scheme i.e., August 31,2017.

Further, the Company being under Common Control of APSEZL w.e.f, December 08, 2016 in accordance with Indian Accounting Standard 103, Business Combination (Ind AS 103) the accounting for business combination under 'common control' transactions is required to be accounted using the pooling of interest method and the financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the acquisition of control.

The appointed date as per the scheme is not the same as per the acquisition date as defined under Ind AS 103 in case of common control transactions. Since the scheme are duly approved by NCLT, the company has restated the financial information to give effect of the schemes from the appointed date i.e. April 01, 2016 in the books of account.

26 Pursuant to the Scheme of Arrangement (Schemes) under Section 230-232 of the Companies Act, 2013, between the Company ('the Transferee Company'), Adani Ports and Special Economic Zone Limited ('APSEZ'), Adani Hazira Port Private Limited ('AHPPL') and Adani Petronet (Dahej) Port Private Limited ('APDPPL') (collectively referred as 'Transferor Companies') , it was agreed to transfer Marine Business Undertakings of the Transferor Companies on going concern basis along with assets and liabilities to the Transferee Company with effect from appointed date i.e. April 01, 2016. The Scheme of Arrangement was sanctioned by the National Company Law Tribunal (NCLT), Ahmedabad vide its order dated July 31, 2017 (for "Adani Hazira Port Private Limited" and Adani Petronet (Dahej) Port Private Limited) and August 18, 2017 (for Adani Ports and Special Economic Zone Limited) for a total consideration of ₹ 44,300 lacs (₹ 20,000 Lacs (APSEZ), ₹ 22,500 lacs (AHPPL), ₹ 1,800 lacs (APDPPL)), which has to be settled through bank payments. The Scheme has become operative from August 14, 2017 (for "Adani Hazira Port Private Limited" and Adani Petronet (Dahej) Port Private Limited) and August 23, 2017 (for Adani Ports and Special Economic Zone Limited) upon filing of certified copy of the order of the NCLT, Ahmedabad with the Registrar of Companies with an appointed date of April 01, 2016. Accordingly, for administrative convenience the company took over the operation of Marine Business Undertaking w.e.f. August 31, 2017 and the Transferor Companies have been merged with the Company from the appointed date April 01, 2016 as approved under the Scheme of Arrangement by NCLT.

The Company accounted for the merger in accordance with the provisions of the Schemes as approved by the NCLT, Ahmedabad whereby the assets and liabilities of the Marine Business Undertaking of the Transferor Companies have been recognised at their carrying value in the books of the Transferor Companies as at April 01, 2016. The excess of amount of total consideration payable by the Company over the carrying value of net assets of the Marine Business Undertaking of the Transferor Companies on the appointed date has been treated as Capital Reserve.

As a result of the merger, the financial statements of the Company for the year ended March 31, 2017 incorporate the operations of the Marine Business Undertaking of the Transferor Companies with effect from the Appointed Date i.e., April 01, 2016.

Details of book value of assets and liabilities of the Marine Business Undertaking of the Transferor Companies merged into the Company as on the appointed date i.e., April 01, 2016. are as follows:

Particulars	Amount (in ₹ lacs)
Non-Current Assets	
Property, Plant and Equipment	76,519.76
Financial assets	-
(i) Trade receivables	56.43
(ii) Other Financial Assets	1.56
Total Non-Current Assets	**76,577.75**
Current assets	
Inventories	441.14
Financial Assets	
(i) Trade Receivables	201.54
Other Current Assets	82.49
Total Current Assets	**725.17**
Total Assets (A)	**77,302.92**
LIABILITIES	
Non-Current Liabilities	
Other Non-Current Liabilities	1,624.40
Current Financial Liabilities	
(i) Trade and Other Payables	239.81
(ii) Other Financial Liabilities	266.10
Other Current Liabilities	-
Total Liabilities (B)	**2,130.31**
Net Assets (A-B) (as on appointed date)	**75,172.61**
Less: Purchase Consideration *	**31,116.00**
Capital Reserve	**44,056.61**

* - The company has also agreed to acquire additional tug purchased by Adani Hazira Port Private Limited (AHPPL) in the month of July, 2016 on cost to cost basis of ₹ 131.84 Lacs, whereby total consideration paid under the scheme has increased to ₹ 443.00 Lacs.

27 The Tug and Towage Agreement between the Company and The Dhamra Port Company Limited (DPCL), a fellow subsidiary for deployment of the Company's tugs for provision of marine services to the Port Service Users at Dhamra Port has been revisited w.e.f. April 01, 2017 and an Addendum to Tug and Towage As per the Tug and Towage agreement between the Company and the Dhamra Port Company Limited (DPCL) dated on April 01, 2017, the Company has agreed to share a portion of income from Marine, Tonnage and Towage services. Such expenditure has been classified as part of revenue sharing expenses in the statement of profit and loss.

28 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	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Current tax:		
In respect of current year	3,707.12	190.85
Adjustment in respect of tax (credit)/charge of previous years	(19.79)	17.88
Deferred Tax:		
Tax (Credit) recognised under Minimum Alternate Tax pertaining to previous year	(3.65)	(1.26)
Tax (Credit) utilised under Minimum Alternate Tax against tax charge for the current year	-	-
Income tax expenses reported in statement of profit and loss	**3,683.68**	**207.47**

(b) The Income tax expenses for the year can be reconciled to the accounting profit as follows:

	March 31, 2019		March 31, 2018	
	%	₹ in Lacs	%	₹ in Lacs
Profit before tax from continuing operations		1,17,342.29		87,126.11
Income tax expenses calculated at 34.944% (previous year at 27.55%)	34.94%	41,004.09	27.55%	24,005.42
Tax Credit due to Special Tax Rates under section 115V	-31.78%	(37,296.97)	-27.33%	(23,813.85)
Income chargeable at lower rate	0.00%	-	0.00%	(0.72)
Tax Credit recognized for earlier years (Net of Utilization)	0.00%	(3.65)	0.00%	(1.26)
Adjustment of tax related to earlier period	-0.02%	(19.79)	0.02%	17.88
Income Tax expenses recognised on profit and loss (relating to continuing operations)	**3.14%**	**3,683.68**	**0.24%**	**207.47**

The tax rate used for based on the income slab FY 2018-19 and FY 2017-18 reconciliations above is the corporate tax rate of 34.94% and 27.55% respectively applicable to corporate entities in India on taxable profit under Indian Tax Law.

c) In the Current year, The company has utilised MAT Credit of ₹ 31.88 Lacs.

d) Deferred tax assets movements :-

Particulars	**March 31, 2019** ₹ in Lacs	**March 31, 2018** ₹ in Lacs
Opening balance of deferred tax assets in the nature of MAT	28.23	26.96
Add :- MAT credit recognisation	3.65	21.06
Less :- MAT credit utilisation	(31.88)	(19.80)
Closing balance of deferred tax assets in the nature of MAT	**-**	**28.23**

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29 Financial Instruments, Financial Risk and Capital Management

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

₹ in Lacs

Particulars	Amortised Cost	Carrying Value
Financial Asset		
Trade receivables (Refer Note - 9)	1,722.74	1,722.74
Cash and Cash Equivalents (Refer Note - 10)	73,985.10	73,985.10
Bank balances other than cash and cash equivalents (Refer Note - 11)	70,000.00	70,000.00
Loans (Refer Note - 5)	44,600.00	44,600.00
Other financial assets (Refer Note - 4)	1,669.66	1,669.66
	1,91,977.50	**1,91,977.50**
Financial Liabilities		
Trade payables (Refer Note - 15)	769.73	769.73
Other financial liabilities (Refer Note - 16)	4,822.87	4,822.87
	5,592.60	**5,592.60**

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

₹ in Lacs

Particulars	Amortised Cost	Carrying Value
Financial Asset		
Trade receivables (Refer Note - 9)	813.87	813.87
Cash and Cash Equivalents (Refer Note - 10)	2,351.39	2,351.39
Other Bank balance (Refer Note -11)	1,05,000.00	1,05,000.00
Other financial assets (Refer Note - 4)	21,530.07	21,530.07
	1,29,695.33	**1,29,695.33**
Financial Liabilities		
Trade payables (Refer Note - 15)	1,164.74	1,164.74
Other financial liabilities (Refer Note - 16)	1,485.13	1,485.13
	2,649.87	**2,649.87**

The management assessed that financial assets and liabilities, measured at amortised cost is approximatly their carring amount largly due to the short term maturities of these instruments.

c) Financial Risk objective and policies

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The company's principle financial assets includes trade and other receivables, loans, cash and cash equivalent that derive directly from its operations and its surplus fund.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), collectively referred as Market Risk, Credit Risk and Liquidity Risk. The Company's senior management oversees the management of these risks.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of APSEZL, parent company, under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The APSEZL'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 APSEZL's policies , risk objectives and support. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and deposits. In ordinary course of business, the company is exposed to currency risk only.

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

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

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

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

1) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The company is mainly exposed to changes in USD and JPY. The below table demonstrates the sensitivity to a 1% change in the respective Foreign currency

i) Sensitivity

The sensitivity of profit or loss due to changes in the exchange rates arises mainly from non-derivative foreign currency denominated financial instruments (mainly financial instruments denominated in USD, and JPY currencies). The same is summarized as below:

₹ in Lacs

Sr. No.	Particulars	Impact on profit for the year ended impact on pre-tax equity	
		March 31, 2019	March 31, 2018
1	**USD Sensitivity**		
	RUPEES / USD – Appreciation by 1%	(0.03)	(0.00)
	RUPEES / USD – Depreciation by 1%	0.03	0.00
2	**JPY Sensitivity**		
	RUPEES / JPY – Appreciation by 1%	(0.58)	(0.01)
	RUPEES / JPY – Depreciation by 1%	0.58	0.01

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, loans and other financial assets) from its financing activities and investing activities, including deposits with banks, others and other financial instruments.

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

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

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

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company marine services, the Company is significantly dependent on vessels from or to such large port user customers. Out of total revenue, the Company earns ₹ 54,880.54 lacs (Previous year ₹ 35,408.35 lacs) of revenue during the year ended March 31, 2019 from such port users which constitute 39.69% (Previous year 34.09%). Accounts receivable from such customer approximated ₹ 695.97 lacs (Previous year ₹ 340.48 lacs) as at March 31, 2019.

Liquidity risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of loans from banks and financial institutions, debentures, preference shares and equity shares.

i) Maturities of financial liabilities

The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹ in Lacs

Contractual maturities of financial liabilities as at March 31, 2019	On demand or within 1 year	Total Value
Trade payables (Refer Note - 15)	769.73	**769.73**
Other financial liabilities (Refer Note - 16)	4,822.87	**4,822.87**
Total	**5,592.60**	**5,592.60**

₹ in Lacs

Contractual maturities of financial liabilities as at March 31, 2018	On demand or within 1 year	Total Value
Trade payables (Refer Note - 15)	1,164.74	**1,164.74**
Other financial liabilities (Refer Note - 16)	1,485.13	**1,485.13**
Total	**2,649.87**	**2,649.87**

d) **Capital Management:**

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

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

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
Total Borrowings	-	-
Net Debt (A)	-	-
Equity Share Capital (Refer Note - 12)	5,769.22	5,769.22
Other Equity (Refer Note - 13)	2,69,077.53	2,04,108.89
Total Equity (B)	**2,74,846.75**	**2,09,878.11**
Total Equity and Net Debt (C = A + B)	**2,74,846.75**	**2,09,878.11**
Gearing ratio	**0.00%**	**0.00%**

30 **Earnings per share**

	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Profit attributable to equity shareholders of the company	1,13,658.61	86,918.64
Weighted average number of equity shares	576.92	576.92
Face Value per Share (in ₹)	10.00	10.00
Basic and Diluted earning per share (in ₹)	197.01	150.66

31 Capital Commitments

Particulars	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	76,040.84	13.59

32 (i) Contingent liabilities not provided for:

Sr No.	Particulars	March 31, 2019 ₹ in Lacs	March 31, 2018 ₹ in Lacs
1	Show Cause Notice received from the Commissioner of Service Tax, Kolkata for Valuation matters of services provided during to FY 2010-11 to 2014-15. The company has filed an appeal before commissioner (Appeals) which is not adjudicated as on date. Based on opinion of legal counsel, the management doesn't expect any demand.	124.34	124.34
2	Penalty Order received from Income Tax Assessing Officer on the disallowances made during the assessment of AY 2011-12, Appeal has been preferred before CIT (A) against Penalty order. Management doesn't expect any liability on the said matter.	32.54	32.54
3	During the Current year, the Company has received an adjudication order from Additional Superintendent from Stamps, demanding stamp duty of ₹ 2215.82 lacs, under the provisions of the Gujarat Stamps Act, 1950 ('the Act'), payable on acquisition of Marine Business Undertaking pursuant to the scheme of arrangement approved by the National Company Law Tribunal (NCLT) in previous year. Against the said order the Company has filed Special Civil Application (SCA) and Letters Patent Appeal (LPA) with Gujarat High Court which is disposed of by the High Court during the year and subsequent to the year-end respectively on the grounds to prefer appeal with appropriate appellate authority under the provisions of the Act. After the balance sheet date, the Company has filed an appeal with the Chief Controlling Revenue Authority and deposited ₹ 553.95 lacs under protest for filling an appeal. As per the management's estimate, on the basis of advise from the legal experts, the Company has provided ₹ 443 lacs in the current year in accordance with the provisions of the act and also doesn't expect any additional demand.	1,772.82	-

Note: Future cash flows in respect of above matters are determinable only on receipt of decisions pending at various forums/authorities.

(ii) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is assessing with experts for further clarity on matter and evaluating its impact on its financial statement.

33 Segment Information:

The Company is primarily engaged in one business segment, providing marine services to port, as determined by chief operational decision maker, in accordance with Ind AS - 108 "Operating Segment".

Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Further, all the revenue from customers and assets of the company derived from the services rendered in India and situated in India respectively.

There is no single external customer which accounts for to 10% or more of the Company's total revenue from operations.

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

₹ in Lacs

Sr No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	1.63	Nil
	Interest	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 a long 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

35 Disclosures as required by Ind AS - 19 Employee Benefits

(A) Define Contribution Plan

The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 7.35 Lacs (previous year ₹ 2.78 Lacs) as expenses under the following defined contribution plan.

₹ in Lacs

Contribution to	2018-19	2017-18
Provident Fund	7.35	2.78
Total	**7.35**	**2.78**

(B) Define Benefit Plan - Gratuity

The Company has a defined gratuity plan and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded till previous year. From the current year, the scheme is funded with Life Insurance Company of India (LIC) in form of qualifying insurance policy for future payment of gratuity to the employees.

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

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

Gratuity

i)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	23.01	-
Current service cost	2.62	2.35
Interest cost	1.79	1.47
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(0.40)	-
- change in financial assumptions	4.14	-
- experience variance	0.32	0.38
Liability Transfer In	-	18.81
Present value of the defined benefit obligation at the end of the year	**31.48**	**23.01**

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

Particulars	March 31, 2019	March 31, 2018
Fair value of plan assets at the beginning of the year	-	-
Investment income	1.25	-
Contributions by employer	27.99	-
Benefits paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	(0.25)	
Fair value of plan assets at the end of the year	**28.99**	**-**

iii) 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	31.48	23.01
Fair value of plan assets at the end of the year	28.99	-
Amount recognised in the balance sheet	2.49	23.01
Net (liability)/asset - Current (Refer Note - 17)	**(2.49)**	**(23.01)**

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

Particulars	March 31, 2019	March 31, 2018
Current service cost	2.62	2.35
Interest cost on benefit obligation	0.54	1.47
Total Expenses included in employee benefits expense (Refer Note - 21)	**3.16**	**3.82**

v) 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	(0.40)	-
- change in financial assumptions	4.14	-
- experience variance	0.32	0.38
Return on plan assets, excluding amount recognised in net interest expense	0.25	-
Recognised in comprehensive income	**4.31**	**0.38**

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

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.60%	7.80%
Rate of escalation in salary (per annum)	8.00%	7.00%
Mortality	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Attrition rate:-		
Below service of 5 years	7.75%	10.00%
Equal and above service of 5 years	7.75%	1.00%

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

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

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

Particulars	March 31, 2019	March 31, 2018
Investments with insurer (Refer Note below)	100%	100%

Note - As the gratuity fund is managed by Life Insurance Company, details of funds invested by isurer are not available with the Company.

viii) Quantitative sensitivity analysis for significant assumption is as below

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.

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
	(2.23)	2.52	(2.51)	2.94

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
	2.24	(2.48)	2.93	(2.55)

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
	0.19	(0.24)	0.06	(0.06)

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	0.01	(0.01)

ix) Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity payable to the employees left during the year other than the payments made by the company directly (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

x) Effect of Plan on Entity's Future Cash Flows

(i) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(ii) Expected contribution during the next annual reporting period, as per the best estimate of the Company is ₹ 5.51 Lacs.

(iii) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2019	March 31, 2018
Weighted average duration (based on discounted cash flows)	8 Years	12 Years

(iv) The expected cash flows of defined benefit obligation over the future periods (valued on undiscounted bases) **₹ in Lacs**

Particulars	March 31, 2019	March 31, 2018
1 year	2.61	0.36
2 to 5 year	10.63	1.79
6 to 10 year	21.65	19.45
More than 10 years	27.92	46.49

36 Unhedged foreign currency exposure

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

Nature	As at March 31, 2019		As at March 31, 2018	
	Amount	Foreign Currency	Amount	Foreign Currency
	₹ in Lacs	(in millions)	₹ in Lacs	(in millions)
Trade payables (USD)	3.02	0.00	2.85	0.00
Trade payables (JPY)	58.31	9.34	62.61	10.18

Closing rates as at March 31, 2019:
USD / INR = ₹ 69.16
100 JPY / INR = ₹ 62.42

Closing rates as at March 31, 2018:
USD / INR = ₹ 65.18
100 JPY / INR = ₹ 61.51

37 Related Party Disclosures

Sl. No.	Name of the related party	Nature of relationship
(a)	Adani Ports and Special Economic Zone Limited	Parent Company
(b)	The Dhamra Port Company Limited	Fellow Subsidiary
(c)	Adani Petronet (Dahej) Port Private Limited	Fellow Subsidiary
(d)	Adani Hazira Port Private Limited	Fellow Subsidiary
(e)	Marine Infrastructure Developer Private Limited (wef 28.06.2018)	Fellow Subsidiary
(f)	Adani Kattupali Port Private Limited	Fellow Subsidiary
(g)	Adani Ennore Container Terminal Private Limited	Fellow Subsidiary
(h)	Adani CMA Terminal Private Limited	Jointly controlled entity, by parent company
(i)	Adani Bunkering Private Limited	Entities over which major shareholders of the holding company are able to exercise significant influence through voting powers
(j)	Adani Power (Mundra) Limited	
(k)	Adani Enterprise Limited	
(l)	Adani Foundation	
(m)	**Key Managerial Persons :-**	
	Mr. Unmesh Abhyankar (wef 08.12.2016 - Director) (wef 08.02.2017 - Managing Director)	Managing Director
	Mr. Ennarasu Karunesan (wef 08.12.2016)	Director
	Mr. Subrat Tripathy (wef 08.12.2016)	Director
	Mr. Mukesh Shah (wef 10.01.2017 & upto 06.10.2017)	Independent Director
	Dr. Chitra Bhatnagar (wef 10.01.2017 & upto 06.10.2017)	Independent Director
	Mr. Azad Somani (wef 23.12.2016)	Chief Financial Officer
	Mr. Abhishek Bansal (wef 23.12.2016)	Company Secretary

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.

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

₹ in Lacs

Sl. No.	Name of the related party	Nature of transaction	Transaction for year ended March 31, 2019	Transaction for year ended March 31, 2018
(a)	Adani Ports and Special Economic Zone Limited	Loan given	81,100.00	-
		Loan received back	72,500.00	-
		Borrowings (Loan taken)	-	38,000.00
		Borrowings (Loan repaid)	-	38,000.00
		Purchase of inventory	31.54	-
		Repairs and maintenance	28.83	-
		Rent Expenses	20.75	-
		Interest On Inter Corporate Deposit	1,392.77	431.68
		Interest income on non-trade receivables	569.33	-
		Reimbursement of Expenses	2.59	1,402.87
		Services Availed	54.38	52.80
(b)	The Dhamra Port Company Limited	Revenue Share (refer note 1 below)	1,523.22	1,461.25
		Reimbursement of Expenses	-	184.92
		Services Availed	21.01	20.40
(c)	Adani Petronet (Dahej) Port Private Limited	Reimbursement of Expenses	-	67.50
		Services Availed	16.69	16.20
(d)	Adani Hazira Port Private Limited	Reimbursement of Expenses	-	365.11
		Services Availed	16.07	25.20
(e)	Adani Kattupali Port Private Limited	Reimbursement of Expenses	-	52.51
		Services Availed	7.83	11.40
		Rendering of Services	-	30.00
(f)	Adani Enterprise Limited	Sale of port related services	89.16	-
(g)	Adani Ennore Container Terminal Private Limited	Reimbursement of Expenses	-	5.27
(h)	Adani Bunkering Private Limited	Sale of port related services	65.70	97.31
		Purchase of goods	2,679.04	-
(i)	Marine Infrastructure Developer Private Limited	Services Availed	16.05	-

The Adani Harbour Services Private Limited
(Formerly known as "TM Harbour Services Private Limited")
Notes to Financial statements for the year ended March 31, 2019

37 Related Party Disclosures

(j)	Adani CMA Terminal Private Limited	Sale of port related services	48.93	
(k)	Adani Foundation	Donation	603.00	26.50
(l)	Adani Power (Mundra) Limited	Services Availed	0.05	-
(m)	Mr. Mukesh Shah	Sitting Fees	-	0.27
(n)	Dr. Chitra Bhatnagar	Sitting Fees	-	0.62

Sl. No.	Name of the related party	Nature of outstanding balance	As at March, 2019	As at March, 2018
(a)	Adani Ports and Special Economic Zone Limited	Other Receivables	-	21,205.26
		Other Financial Assets	1,186.07	-
		Loan - ICD	8,600.00	-
		Trade Payables (incl provisions)	7.14	512.20
(b)	The Dhamra Port Company Limited	Trade receivables	29.75	-
		Trade Payables (incl provisions)	1.89	2.09
		Revenue share payable	295.42	154.51
(c)	Adani Petronet (Dahej) Port Private Limited	Trade Payables (incl provisions)	1.25	2.31
(d)	Marine Infrastructure Developer Private Limited	Trade Payables (incl provisions)	2.50	-
(e)	Adani Hazira Port Private Limited	Trade Payables (incl provisions)	1.45	21.80
(f)	Adani Bunkering Private Limited	Other Current Assets	734.35	-
		Trade receivables	27.50	8.77
(g)	Adani Kattupali Port Private Limited	Trade Payables (incl provisions)	-	2.05
(h)	Adani CMA Terminal Private Limited	Trade receivables	47.96	-
(i)	Adani Ennore Container Terminal Private Limited	Trade Payables (incl provisions)	-	4.48

Note:-

1. Revenue share payable to The Dhamra Port Company Limited ("DPCL") is a pass through transaction which DPCL has to pay to the Government of Odisha as per the Concession Agreement.
2. All key managerial personel, other than Independent Directors of the Company is in employment with the parent company, Adani Ports and Special Economic Zone Limited and Other Group Companies and are paid remuneration by the parent company and respective group companies.
3. Undertaking received from parent Company against loan given and outstanding with third party as at March, 2019 amounting to ₹ 36,000 lacs and interest thereon.

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38 Standard issued but not effective:

The amendments to standards that are issued and new standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2019.

1. Ind AS 116-Leases
2. Ind AS 12-Income Taxes
3. Ind AS 19-Employee Benefits
4. Ind AS 109 – Prepayment Features with Negative Compensation
5. Ind AS 23 – Borrowing Costs

These amendments are effective for annual periods beginning on or after April 01, 2019.

The Company's assessment of the potential effect of the amendments on its financial statements are as follows:

(i) Amendments to Ind AS 116 Leases
Ind AS 116 Leases was notified on 31 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

(ii) Amendment to Ind AS 12, Income Taxes:
The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

(iii) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:
The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

(iv) Ind AS 109 – Prepayment Features with Negative Compensation:
The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

(v) Ind AS 19 – Plan Amendment, Curtailment or Settlement:
The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(vi) Other Amendments:
Apart from aforesaid amendments in various, below mentioned amendments in Ind AS for which management does not expect any material impact on its financial statements:
a. Ind AS 23 – Borrowing Costs;
b. Ind AS 28 – Long-term Interests in Associates and Joint Ventures;
c. Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements;

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39 Event Occurred After Balance Sheet Date

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

40 Approval of Financial Statements:

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

The accompanying notes form integral part of financials statements.

As per our report of even date
For S R B C & CO LLP
ICAI Firm Registration No.: 324982E / E300003
Chartered Accountants

per Santosh Aggarwal
Partner
Membership No. 93669

Place: Ahmedabad
Date: May 25, 2019

For and on behalf of Board of Directors of
The accompanying notes form integral part of financials statements.

Capt. Unmesh Abhyankar	**Ennarasu Karunesan**
Managing Director	**Director**
DIN: 03040812	**DIN: 00200432**
Abhishek Bansal	**Azad Somani**
Company Secretary	**Chief Financial Officer**

Place: Ahmedabad
Date: May 25, 2019