

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of **Adani Ennore Container Terminal Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including Annexures to Directors' Report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles

generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of 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 does not have any pending litigations which would impact its financial position;

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Kartikeya Raval
Partner
(Membership No. 106189)
UDIN: 20106189AAAACW3412

Place: Ahmedabad
Date: May 4, 2020

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

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

We have audited the internal financial controls over financial reporting of **Adani Ennore Container Terminal Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Kartikeya Raval
Partner
(Membership No. 106189)
UDIN: 20106189AAAACW3412

Place: Ahmedabad
Date: May 4, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) Some of the property, plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties of freehold land and acquired building. In respect of immovable properties of land that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Employees State Insurance Corporation, Goods and Services Tax, Customs Duty, cess, and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Employees State Insurance Corporation, Goods and Services Tax, Customs Duty, cess, and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Service Tax and Goods and Service Tax as on March 31, 2020 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, as at the reporting date, the Company has not defaulted in the repayment of loans or borrowings to bank. The Company has not issued any debentures and has not taken any loans or borrowings from the government or financial institutions.

- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans has been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment, if any, pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause (xiii) of the Order is not applicable.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Kartikeya Raval
Partner
(Membership No. 106189)
UDIN: 20106189AAAACW3412

Place: Ahmedabad
Date: May 4, 2020

Adani Ennore Container Terminal Private Limited
Balance Sheet as at March 31, 2020



₹ in Lacs

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3(a)	74,523.14	77,113.84
Right of Use Assets	3(b)	7,854.39	-
Capital Work-in-Progress		1,095.76	39.76
Intangible Assets	3(a)	16.16	21.75
Other Non-Current Assets	6	3,530.38	1,478.06
		87,019.83	78,653.41
Current Assets			
Inventories	7	61.43	22.51
Financial Assets			
(i) Trade Receivables	4	41.83	750.89
(ii) Cash and Cash Equivalents	8	591.92	408.36
(iii) Other Financial Assets	5	50.71	48.48
Other Current Assets	6	1,209.84	2,108.80
		1,955.73	3,339.04
Total Assets		88,975.56	81,992.45
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	19,200.00	19,200.00
Other Equity	10	(25,986.11)	(13,738.38)
Equity attributable to Owners of the Company		(6,786.11)	5,461.62
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	80,275.89	72,099.85
(ii) Other Financial Liabilities	12	7,705.92	-
		87,981.81	72,099.85
Current Liabilities			
Financial Liabilities			
(i) Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises	15	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	383.00	499.57
(ii) Other Financial Liabilities	12	6,571.50	3,770.01
Other Current Liabilities	13	807.01	148.20
Provisions	14	18.35	13.20
		7,779.86	4,430.98
Total Liabilities		95,761.67	76,530.83
Total Equity and Liabilities		88,975.56	81,992.45

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Sandeep Mehta
Director
DIN: 00897409

Karan Adani
Director
DIN: 03088095
Place: Ahmedabad

Kunjai Mehta
Chief Financial Officer

Place: Ahmedabad
Date: May 04, 2020

Place: Mumbai
Date: May 04, 2020

Adani Ennore Container Terminal Private Limited
Statement of Profit and Loss for the year ended March 31, 2020



₹ in Lacs

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from Operations	16	3,919.93	1,532.46
Other income	17	27.25	74.25
Total income		3,947.18	1,606.71
EXPENSES			
Operating Expenses	18	3,153.18	1,233.89
Employee Benefits Expense	19	335.73	1,072.21
Finance Costs			
(i) Interest and Bank Charges	20	5,707.17	4,040.74
(ii) Derivative Loss/(Gain) (net)	20	558.20	(726.28)
Depreciation and Amortization Expense	3	4,255.56	4,047.01
Foreign Exchange Loss (net)		(174.37)	2,174.38
Other Expenses	21	2,353.19	653.01
Total Expenses		16,188.66	12,494.96
(Loss) before tax		(12,241.48)	(10,888.25)
Tax Expenses:	22		
Current Tax		0.69	-
Total Tax Expenses		0.69	-
(Loss) for the year	(A)	(12,242.17)	(10,888.25)
Other Comprehensive Income			
Item that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains on defined benefit plans (net of tax)		(5.56)	1.71
Total other comprehensive income (net of tax)	(B)	(5.56)	1.71
Total Comprehensive Income for the year	(A+B)	(12,247.73)	(10,886.54)
Earnings per Share - (Face value of ₹ 10 each)			
Basic and Diluted (in ₹)	25	(6.38)	(7.39)

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Sandeep Mehta
Director
DIN: 00897409

Karan Adani
Director
DIN: 03088095
Place: Ahmedabad

Kunjal Mehta
Chief Financial Officer

Place: Ahmedabad
Date: May 04, 2020

Place: Mumbai
Date: May 04, 2020

Adani Ennore Container Terminal Private Limited
Statement of Changes in Equity for the year ended March 31, 2020



₹ in Lacs

Particulars	Equity Share Capital	Other Equity	Total
		Reserves and Surplus	
		Retained Earnings	
Balance as at April 01, 2018	5.00	(2,658.26)	(2,653.26)
Shares issued during the year	19,195.00	-	19,195.00
Share issue expenses	-	(193.58)	(193.58)
(Loss) for the year	-	(10,888.25)	(10,888.25)
Other Comprehensive Income for the year	-	1.71	1.71
Total Comprehensive Income for the year	-	(10,886.54)	(10,886.54)
Balance as at March 31, 2019	19,200.00	(13,738.38)	5,461.62
(Loss) for the year	-	(12,242.17)	(12,242.17)
Other Comprehensive Income for the year	-	(5.56)	(5.56)
Total Comprehensive Income for the year	-	(12,247.73)	(12,247.73)
Balance as at March 31, 2020	19,200.00	(25,986.11)	(6,786.11)

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Sandeep Mehta
Director
DIN: 00897409

Karan Adani
Director
DIN: 03088095
Place: Ahmedabad

Kunjai Mehta
Chief Financial Officer

Place: Ahmedabad
Date: May 04, 2020

Place: Mumbai
Date: May 04, 2020

Adani Ennore Container Terminal Private Limited
Statement of Cash Flows for the year ended March 31, 2020



₹ in Lacs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flows from Operating Activities		
(Loss) before tax for the year	(12,241.48)	(10,888.25)
Adjustments for:		
Loss on sale of Inventory	-	5.94
Loss on sale of Property, Plant and Equipment (net)	-	31.90
Excess provision written back	-	(14.66)
Depreciation and Amortisation Expenses	4,255.56	4,047.01
Interest Income	(26.55)	(2.66)
Interest Expense	5,678.95	3,777.89
Loss on Foreign Exchange Fluctuation (net)	(174.37)	2,174.38
Derivative Loss/(Gain)	558.20	(726.28)
Operating (Loss) before Working Capital Changes	(1,949.69)	(1,594.73)
Adjustments for:		
Decrease/(Increase) in Trade Receivables	709.06	(691.99)
(Increase) in Inventories	(38.92)	(28.45)
(Increase) in Financial Assets	(2.33)	(1.03)
(Increase) in Other Assets	(402.72)	(66.32)
(Decrease) in Trade Payables	(116.57)	(84.36)
Increase in Other Liabilities	658.40	26.80
Increase in Financial Liabilities	259.54	535.82
Cash Generated from/(used in) Operations	(883.23)	(1,904.26)
Direct Taxes Paid (Net of Refunds)	(240.26)	(16.74)
Net Cash (used in) Operating Activities (A)	(1,123.49)	(1,921.00)
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment (Including Capital Work-in-Progress, Capital Creditors and Capital Advances)	(1,833.65)	(22.71)
Proceeds from Sale of Property, Plant and Equipment	-	182.28
Interest Received	26.65	2.56
Net Cash generated from/(used in) Investing Activities (B)	(1,807.00)	162.13
Cash Flows from Financing Activities		
Proceeds from issuance of Equity Shares	-	19,195.00
Cost of issuance of equity shares	-	(193.58)
Proceeds from Inter-Corporate Deposit	42,461.98	12,258.85
Repayment of Inter-Corporate Deposit	(72.12)	(19,909.99)
Proceeds from/ (Repayment of) Supplier's Credit	(34,418.30)	(6,808.17)
Repayment of Lease liabilities	(612.40)	-
(Loss)/Gain on settlement/cancellation of derivative swap contracts	(884.26)	1,052.34
Interest Paid	(3,360.84)	(4,458.08)
Net Cash generated from Financing Activities (C)	3,114.05	1,136.37
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	183.56	(622.50)
Cash and Cash Equivalents at the beginning of the year (refer note 8)	408.36	1,030.86
Cash and Cash Equivalents at the end of the year (refer note 8)	591.92	408.36
Component of Cash and Cash Equivalents		
Balances with Scheduled Banks		
Deposits with original maturity of less than three months	210.77	285.34
In Current Accounts	381.15	123.02
Cash and Cash Equivalents at the end of the year	591.92	408.36

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

2) Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 - Statement of Cash Flows is presented under note 33.

The accompanying notes form an integral part of financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Sandeep Mehta
Director
DIN: 00897409

Karan Adani
Director
DIN: 03088095
Place: Ahmedabad

Kunjai Mehta
Chief Financial Officer

Place: Ahmedabad
Date: May 04, 2020

Place: Mumbai
Date: May 04, 2020

1 Corporate information

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

The Financial Statements were authorised for issue in accordance with resolution of directors on May 04, 2020.

2 Basis of preparation

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

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

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

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

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

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax liabilities are classified as non-current liabilities.

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

b) Inventories

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty accounted for on an accrual basis.
 - Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
 - Costs incurred that relate to future contract activities are recognised as "Project Work in Progress".
 - Project work in progress comprise specific contract costs and other directly attributable overheads including borrowing costs which can be allocated on specific contract cost is, valued at lower of cost and net realisable value
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) Cash and cash equivalents

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

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

d) Property, Plant and Equipment (PPE)

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

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

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

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

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

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

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

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

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

e) Intangible assets

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

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

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

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

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

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

f) Revenue Recognition

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

Port Operation Services

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

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

Interest Income

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

Income from SEIS

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

g) Income Taxes

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

Current tax

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

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

Deferred tax

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

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

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

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 the statement of profit and loss is recognized outside the statement of profit and 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.

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 the such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

h) Foreign currency transactions:

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

Transactions and balances

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

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

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

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

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

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

i) Retirement and Other Employee Benefits

i) Defined contribution plan : Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises 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 recognised as a liability after deducting the contribution already paid.

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

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

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

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

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

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

j) Borrowing Costs

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

k) Segment Reporting

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

In accordance with the Ind-As 108 -" Operating Segments" , the Company is primarily engaged in the business of developing, operating and maintaining Container Terminal. Since there are no other business segments in which the Company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

l) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer the accounting policy for impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities".

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

m) Earnings per share

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

n) Impairment of non-financial assets

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

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

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

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

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

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

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

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

p) Government grants

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

q) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

r) **Financial instruments**

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

> Trade receivables or contract revenue receivables; and

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit and loss

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings.

Derecognition

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

s) Derivative financial instruments

Initial recognition and subsequent measurement

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

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

t) New Standards, Interpretations and Amendments adopted by the Company

The Company has applied the following standards and amendment for the first time for annual reporting period commencing from April 01, 2019:-

i) Ind AS 116 - Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption and applied the Standard to its leases on a prospective basis. The adoption of the standard did not have any material impact to the financial statements. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases") and lease contracts for which the underlying asset is of low value (low-value assets).

Nature and the effect of adoption of Ind AS 116

The Company has lease contract for land at Ennore. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability.

In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the statement of profit and loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The operating lease commitments as at March 31, 2019 reconciled with the lease liabilities as at April 01, 2019 is as follows:

₹ in Lacs

Particulars	Amount
Operating lease commitments as at March 31, 2019	12,360.70
Weighted average incremental borrowing rate as at April 01, 2019	7.50%
Discounted operating lease commitments as at April 01, 2019	4,661.98
Less: Commitments relating to short-term leases	-
Add: Commitments relating to leases previously classified as finance leases	-
Lease liabilities as at April 01, 2019	4,661.98

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of lease commitments for the cancellable term of the leases and reduction due to discounting of lease liabilities as per the requirement of Ind AS 116.

The Company has applied the following practical expedients on initial application:

- Applied single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application
- Applied the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application

The effect of adoption Ind AS 116 as at April 01, 2019 (increase/(decrease)) is as follows:

₹ in Lacs

Particulars	Amount
Assets	
Right-of-use assets	4,661.98
Other Assets – Prepaid Expenses	-
Increase in Total Assets	4,661.98
Liabilities	
Financial Liabilities - Lease Liabilities	4,661.98
Increase in Total Liabilities	4,661.98

Following is the movement in lease liabilities during the year:

₹ in Lacs

Particulars	Lease Liabilities
As at April 01, 2019	-
Addition on account of adoption of Ind AS 116	4,661.98
Addition during the year	3,351.98
Interest Expenses (recognised in the statement of profit and loss)	350.67
Expenses during construction (pertaining to phase II)	189.45
Payments	(488.34)
As at March 31, 2020	8,065.74

Following are the amounts recognised in the statement of profit and loss:

₹ in Lacs

Particulars	For the year ended March 31, 2020
Depreciation expense of right-of-use assets	186.48
Interest expense on lease liabilities	350.67
Rent expense - short-term leases and leases of low value assets	5.37
Total amounts recognised in the statement of profit and loss	542.52

ii) Ind AS 12 - Income Taxes - Appendix C, Uncertainty over Income Tax Treatments

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company has adopted the standard w.e.f. April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 if any without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C did not have any material impact to the financial statements.

iii) 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 adoption of the standard did not have any material impact to the financial statements. 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.

iv) Amendment to Ind AS 19 – Employee benefit - plan amendment, curtailment or settlement

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The adoption of the standard did not have any material impact to the financial statements.

2.3 Significant accounting estimates, assumptions and judgements

Use of estimates

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

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

Critical accounting estimates, assumptions and judgements

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

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

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

Defined benefit plans (gratuity benefits)

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

Fair value measurement of financial instruments

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

Impairment of non-financial assets

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

Impairment of financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Provision for Decommissioning Liabilities

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

Taxes

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

Adani Ennore Container Terminal Private Limited
Notes to Financial Statements for the year ended March 31, 2020
Note 3(a) - Property, Plant and Equipment and Intangible Assets



₹ in Lacs

Particulars	Property, Plant and Equipment									Intangible Assets	Grand Total
	Building	Computer Hardware	Leasehold Land Development	Office Equipments	Plant & Equipment	Furniture & Fixtures	Vehicles	Marine Structures	Total	Software	
Cost											
As at April 1, 2018	9256.9	607.16	229.34	84.38	56993.35	111	644.95	13,903.84	81,830.92	26.99	81,857.91
Additions	5.57	19.21	-	1.23	10.08	-	46.37	-	82.46	0.67	83.13
Deductions/Adjustment	-	(9.02)	-	-	(209.89)	-	(86.01)	-	(304.92)	-	(304.92)
Borrowing Cost	-	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-
As at April 1, 2019	9,262.47	617.35	229.34	85.61	56,793.54	111.00	605.31	13,903.84	81,608.46	27.66	81,636.12
Additions	543.05	2.51	-	21.93	7.30	9.63	1.78	886.59	1,472.79	-	1,472.79
Deductions/Adjustment	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	9,805.52	619.86	229.34	107.54	56,800.84	120.63	607.09	14,790.43	83,081.25	27.66	83,108.91
Depreciation/Amortisation											
As at April 1, 2018	83.04	41.23	0.67	13.28	279.80	4.28	7.07	28.39	457.76	0.49	458.25
Depreciation/Amortisation for the year	317.15	136.32	7.66	16.90	3,153.14	11.10	75.61	323.71	4,041.59	5.42	4,047.01
Deductions/(Adjustment)	-	(3.46)	-	-	(1.27)	-	-	-	(4.73)	-	(4.73)
As at April 1, 2019	400.19	174.09	8.33	30.18	3,431.67	15.38	82.68	352.10	4,494.62	5.91	4,500.53
Depreciation/Amortisation for the year	323.93	137.30	7.66	20.36	3,153.80	11.99	75.87	332.58	4,063.49	5.59	4,069.08
Deductions/(Adjustment)	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	724.12	311.39	15.99	50.54	6,585.47	27.37	158.55	684.68	8,558.11	11.50	8,569.61
Net Block											
As at March 31, 2020	9,081.40	308.47	213.35	57.00	50,215.37	93.26	448.54	14,105.75	74,523.14	16.16	74,539.30
As at March 31, 2019	8,862.28	443.26	221.01	55.43	53,361.87	95.62	522.63	13,551.74	77,113.84	21.75	77,135.59

Notes:

1) Reconciliation for the difference between the Depreciation as per above Schedule (including depreciation on ROU) and Depreciation as per Statement of Profit and Loss is as below:

₹ in Lacs

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Depreciation/Amortisation as per PPE and ROU Schedule	4,352.71	4,047.01
Expenses during construction (pertaining to phase II)	(97.15)	-
Net Depreciation as per Statement of Profit and Loss	4,255.56	4,047.01

2) Refer note 36 for impairment evaluation.

Adani Ennore Container Terminal Private Limited
Notes to Financial Statements for the year ended March 31, 2020
Note 3(b) - Right of Use Assets



₹ in Lacs

Particulars	Right of Use Assets	
	Leasehold Land	Total
Cost		
Recognition on initial application of Ind AS 116 as at April 01, 2019	4,661.98	4,661.98
Additions	3,476.04	3,476.04
As at March 31, 2020	8,138.02	8,138.02
Depreciation/Amortisation		
Depreciation/Amortisation for the year	283.63	283.63
As at March 31, 2020	283.63	283.63
Net Block		
As at March 31, 2020	7,854.39	7,854.39

Note:

1) Right of Use assets is accounted at a lease rate mentioned in the concession agreement dated 15th March, 2014 entered between the Company and Kamarajar Port Limited ("KPL"). During the current year, the Company has received incremental lease claims (in addition to lease rental as per concession agreement dated 15th March 2014) from KPL. However, considering guidelines from Ministry of Shipping, the Company is of the view that incremental lease claim by KPL is not payable and hence not considered while accounting Leases as per Ind AS 116 as at 31st March 2020.

4 Trade Receivables

Current

Unsecured, unless stated otherwise

Considered Good

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
41.83	750.89
41.83	750.89

Receivables from related parties (refer note 31)

Notes:

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

5 Other Financial Assets

Current

Security and other deposits (unsecured, considered good)

Interest accrued on deposits and loans

Gratuity Assets

Advances to employees

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
46.25	46.25
-	0.10
3.31	-
1.15	2.13
50.71	48.48

Note:

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

6 Other Assets

Non Current

Capital Advances

Unsecured, considered good

Others (Unsecured)

Prepaid Expenses

Export Benefits Receivable

Balance with Government Authorities

Taxes recoverable (net)

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
511.54	0.47
(A) 511.54	0.47
18.73	28.13
219.66	36.25
2,277.57	1,149.90
502.88	263.31
(B) 3,018.84	1,477.59
(A + B) 3,530.38	1,478.06

Current

Advance to Suppliers

Unsecured, considered good

To related party

Unsecured, considered doubtful

Others (Unsecured)

Prepaid Expenses

Contract Assets (refer note (a) below)

Export Benefits Receivable

Balances with Government authorities

74.77	23.49
39.66	2.89
-	-
(A) 114.43	26.38
28.89	129.43
20.70	-
50.75	-
995.07	1,952.99
(B) 1,095.41	2,082.42
(A + B) 1,209.84	2,108.80

Note:

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

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

Stores and spares

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
61.43	22.51
61.43	22.51

8 Cash and Cash Equivalents

Balances with banks:

Balance in current account

Deposits with original maturity of less than three months

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
381.15	123.02
210.77	285.34
591.92	408.36

9 Equity Share Capital

Authorised share capital

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

March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
19,200.00	19,200.00
19,200.00	19,200.00

Issued, subscribed and fully paid up share capital

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

19,200.00	19,200.00
19,200.00	19,200.00

Notes:

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

	March 31, 2020		March 31, 2019	
	No.	₹ in Lacs	No.	₹ in Lacs
At the beginning of the year	192,000,000	19,200.00	50,000	5.00
Add: Issued during the year	-	-	191,950,000	19,195.00
Outstanding at the end of the year	192,000,000	19,200.00	192,000,000	19,200.00

(b) Terms/rights attached to equity shares:

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

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

(c) Shares held by parent company

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

	March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
Adani Ports and Special Economic Zone Limited, the parent company and its nominees		
19,20,00,000 equity shares (Previous year 19,20,00,000) of ₹ 10 each	19,200.00	19,200.00

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

Particulars	March 31, 2020		March 31, 2019	
	Nos.	% Holding	Nos.	% Holding
Adani Ports and Special Economic Zone Limited, the parent company and its nominees	19,20,00,000	100.00%	19,20,00,000	100.00%

10 Other Equity

Retained Earnings

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

March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
(13,738.38)	(2,658.26)
(12,242.17)	(10,888.25)
(5.56)	1.71
-	(193.58)
(25,986.11)	(13,738.38)

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

11 Borrowings

Non-Current

Term loans

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

March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
80,275.89	37,886.04
-	34,592.67
80,275.89	72,478.71

Less:

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

-	378.86
80,275.89	72,099.85

The above amount includes

Secured borrowings
Unsecured borrowings
Total borrowings

-	-
80,275.89	72,099.85
80,275.89	72,099.85

Notes:

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

The company has obtained approval from the parent company with respect to deferment of March 2020 installment and also which are falling due during the period April 2020 to March 2021. The said deferment of installments will be allocated over the balance installments starting from June 2021.

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

12 Other Financial Liabilities

Non-Current

Lease Liability (refer note (a) below)

	March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
	7,705.92	-
	7,705.92	-
	359.82	-
	-	378.86
	4,454.94	2,487.50
	2.00	1.00
	961.38	41.77
	793.36	534.82
	-	326.06
	6,571.50	3,770.01

Current

Lease Liability (refer note (a) below)

Current maturities of long term borrowings (refer note 11)

Interest accrued but not due on borrowings

Deposits from customers

Capital creditors, retention money and other payable

Refund Liability (refer note (b) below)

Derivative liabilities

Notes:

a) The Company has been awarded Port premises land of 2,00,000 Sq Mt and Additional land of 19,780 Sq Mt as part of concession agreement with Kamarajar Port Limited for a period of 30 years. During the current year, the company has been awarded additional Port premises land of 1,65,000 Sq Mt as part of concession agreement. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangement.

Future minimum lease payments under leases together with the present value of the net minimum lease payments are as follows:

Particulars	Within one year	After one year but not later than five years	More than five years	Total minimum lease payments	₹ in Lacs	
					Less: Amounts representing finance charges	Present value of minimum lease payments
March 31, 2020						
Minimum Lease Payments	466.90	2,113.68	18,203.75	20,784.33	(12,718.59)	8,065.74
Finance charge allocated to future periods	107.08	474.56	12,136.95	12,718.59	-	-
Present Value of MLP	359.82	1,639.12	6,066.80	8,065.74	-	8,065.74

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

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

13 Other Current Liabilities

Statutory liabilities

Contract Liabilities (refer note below)

	March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
	99.01	135.44
	708.00	12.76
	807.01	148.20

Note:

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

14 Provisions

Current

Provision for gratuity (refer note 28)

Provision for compensated absences

	March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
	-	5.25
	18.35	7.95
	18.35	13.20

15 Trade Payables

Total outstanding dues of micro enterprises and small enterprises (refer note 29)

Total outstanding dues of creditors other than micro enterprises and small enterprises

Dues to related parties (refer note 31)

	March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
	-	-
	383.00	499.57
	383.00	499.57
	3.86	110.06

Note:

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

16 Revenue from Operations

Revenue from Contract with Customers (refer note below)

Income from Port Operations	
Other Operating Income (refer note 2.2(p))	

Note:

Reconciliation of revenue recognised with contract price:

Particulars

Contract Price

Adjustment for:

Change in Consideration

Refund Liability

Revenue from Contract with Customers

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
3,685.77	1,496.21
234.16	36.25
3,919.93	1,532.46

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
5,245.43	2,076.88
(1,301.12)	(45.85)
(258.54)	(534.82)
3,685.77	1,496.21

17 Other Income

Interest Income on

(i) Bank deposits

(ii) Others

Unclaimed liabilities / excess provision written back

Scrap sale

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
12.44	1.49
14.11	2.66
-	14.66
0.70	55.44
27.25	74.25

18 Operating Expenses

Cargo handling / Other charges to sub-contractors

Terminal Royalty Expenses

Power & Fuel

Store & Spares consumed

Repairs to Plant & Machinery

Repairs to Buildings

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
753.08	161.76
1,945.06	771.74
387.45	268.10
33.31	19.94
32.09	11.21
2.19	1.14
3,153.18	1,233.89

19 Employee Benefits Expense

Salaries, Wages and Bonus

Contribution to Provident and Other Funds

Gratuity Expenses (refer note 28)

Staff Welfare Expenses

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
276.03	985.15
10.45	32.86
4.59	2.49
44.66	51.71
335.73	1,072.21

20 Finance Costs

a) Interest and Bank Charges

Interest on

-Inter-Corporate Deposits

-Buyers Credit

-Lease Obligation

Bank and other finance charges

b) (Gain) / Loss on Derivatives / Swap Contracts (net)

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
4,949.94	2,497.54
378.34	1,280.35
350.67	-
28.22	262.85
5,707.17	4,040.74
558.20	(726.28)
6,265.37	3,314.46

21 Other Expenses

Rent (refer note 2.2(t)(i))

Rates and Taxes

Insurance

Advertisement and Publicity

Other Repairs and Maintenance

Legal and Professional Expenses

Payment to Auditors (refer note 1 below)

Communication Expenses

Electric Power Expenses

Office Expenses

Travelling and Conveyance

Directors Sitting Fees

Loss on sale of Inventory

Loss on sale of Property, Plant and Equipment (net)

Liquidated Damages (refer note 2 below)

Miscellaneous Expenses

March 31, 2020	March 31, 2019
₹ in Lacs	₹ in Lacs
5.37	266.56
0.01	1.31
53.89	33.11
0.02	3.74
17.74	4.78
94.76	60.34
9.30	9.40
68.25	49.40
0.20	18.51
19.30	6.13
110.91	104.86
0.48	0.36
-	5.94
-	31.90
1,892.30	-
80.41	56.67
2,353.19	653.01

Note: 1

Payment to Auditor

As Auditor:

Audit fee
Limited review

In other Capacity

Certification Fees

	March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
Audit fee	5.43	8.19
Limited review	2.92	0.15
Certification Fees	0.95	1.06
	9.30	9.40

Note: 2

Liquidated Damages

As per Appendix 5 of the Concession Agreement between the Company and Kamarajar Port Limited ("KPL"), the Company had to complete Phase-I project within 27 months from the date of award of Concession (October 20, 2014) which was on January 19, 2017. An extension of 126 days, on account of Force Majeure, as recommended by the then Independent Engineer had been obtained due to the Vardha Cyclone (on December 12, 2016), thus shifting the completion deadline to May 25, 2017.

However, Phase-I completion was further delayed due to delay in procurement of the minimum equipment leading to final completion on March 19, 2018 on account of which as per clause 6.9 of the Concession Agreement, the Company has paid liquidated damages to the tune of ₹ 1,892.30 lacs which has been charged to the statement of profit and loss.

22 Income Tax

The major components of income tax expenses for the years ended March 31, 2020 and March 31, 2019

(a) Profit and Loss Section

Current income tax:

Current income tax charge
Adjustment in respect of current income tax of previous years

Deferred Tax:

Relating to origination and reversal of temporary differences

Income tax expenses reported in statement of profit and loss

	March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
Current income tax charge	-	-
Adjustment in respect of current income tax of previous years	0.69	-
Deferred Tax	-	-
Income tax expenses reported in statement of profit and loss	0.69	-

Note:

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 effective from April 01, 2019, domestic companies have an option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. The Company has made an assessment of the impact of the Ordinance and decided to continue with existing tax structure.

(b) Balance Sheet Section

Taxes Recoverable (net)

	March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
Taxes Recoverable (net)	502.88	263.31

(c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

	March 31, 2020		March 31, 2019	
	%	₹ in Lacs	%	₹ in Lacs
Loss Before tax		(12,241.48)		(10,888.25)
Tax using the Company's domestic rate	26.00	(3,182.78)	26.00	(2,830.95)
Tax Effect of:				
Unabsorbed Losses and Depreciation on which Deferred Tax Asset is not created	(26.00)	3,182.78	(26.00)	2,830.95
Adjustment of tax relating to earlier period	(0.01)	0.69	-	-
Effective tax rate	-	0.69	-	-
Tax expenses as per Books		0.69		-

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

Deferred Tax Liability in relation to:

Property, Plant and Equipment

(A)

	March 31, 2020 ₹ in Lacs	March 31, 2019 ₹ in Lacs
Property, Plant and Equipment	(21,422.36)	(20,036.78)
	(21,422.36)	(20,036.78)

Deferred Tax Assets in relation to:

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

(B)

Unabsorbed Depreciation and losses	25,219.87	23,456.71
Provision for gratuity	5.91	1.36
Provision for compensated absences	4.77	2.07
Provision for Bonus	1.94	5.76
	25,232.48	23,465.90

Deferred Tax (Liability)/Assets (net)

(A+B)

	3,810.12	3,429.13
--	-----------------	-----------------

Less:

Deferred Tax Assets not recognised (refer note below)

	3,810.12	3,429.13
--	-----------------	-----------------

Deferred Tax (Liability)/Assets (net)

	-	-
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Note:

The company has carried forward unabsorbed depreciation aggregating ₹ Nil (previous year ₹ 12.06 lacs) under the Income tax Act, 1961 for which there is no expiry date of its tax credit utilisation by the company. Further, the company has carried forward losses aggregating to ₹ 96,999.49 lacs (previous year ₹ 90,206.04 lacs) under the Income tax Act, 1961 which gets expired within 8 years of the respective year.

Deferred tax asset has not been recognised in respect of these unabsorbed depreciation and losses aggregating to ₹ 96,999.49 lacs (previous year ₹ 90,218.10 lacs) as they may not be used to offset taxable profits of the company in future years and there are no other tax planning opportunities or other evidences of recoverability in the near future. If the company was able to recognise all unrecognised deferred tax assets, the loss would reduce by ₹ 3,810.12 lacs (previous year ₹ 3,429.13 lacs).

(a) Category-wise Classification of Financial Instruments:

₹ in Lacs

Particulars	Refer Note	As at March 31, 2020			
		Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset					
Trade receivables	4	-	-	41.83	41.83
Cash and Cash Equivalents	8	-	-	591.92	591.92
Other Financial Assets	5	-	-	50.71	50.71
		-	-	684.46	684.46
Financial Liabilities					
Borrowings(including current maturities)	11	-	-	80,275.89	80,275.89
Trade Payables	15	-	-	383.00	383.00
Other Financial Liabilities	12	-	-	14,277.42	14,277.42
		-	-	94,936.31	94,936.31

₹ in Lacs

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

(b) Fair Value Measurements

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

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

₹ in Lacs

Particulars	As at March 31, 2020	As at March 31, 2019
	Significant Observable Inputs(Level 2)	Significant Observable Inputs(Level 2)
Financial Liabilities		
Derivative Instruments (refer note 12)	-	326.06

(ii) Financial Instrument measured at Amortised Cost

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

24 Financial Risk objective and policies

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

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

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

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

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

(a) Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2020. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

(i) Interest rate risk

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

Interest rate sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2020 would decrease / increase by ₹ Nil (previous year ₹ 172.96 lacs). This is mainly attributable to interest rates on variable rate long term borrowings.

(ii) Foreign currency risk

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

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

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

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

Sr. no.	Particulars	₹ in Lacs	
		Impact on Profit before tax	
		For the year ended March 31, 2020	For the year ended March 31, 2019
1	USD Sensitivity		
	RUPEES / USD – Increase by 1%	-	(14.33)
	RUPEES / USD – Decrease by 1%	-	14.33
2	GBP Sensitivity		
	RUPEES / GBP – Increase by 1%	(0.01)	-
	RUPEES / GBP – Decrease by 1%	0.01	-

(b) Credit risk

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

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

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

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

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company operates the port services and provide related infrastructure services, the Company is significantly dependent on such customers located at Ennore. Out of total revenue, the Company earns ₹ 3,594.14 lacs of revenue during the year ended March 31, 2020 (previous year ₹ 1,428.40 lacs) from such port users which constitute 97.51% (previous year 99.08%). Accounts receivable from such customer approximated ₹ Nil as at March 31, 2020 and ₹ 749.99 lacs as at March 31, 2019. A loss of these customers could adversely affect the operating result or cash flow of the Company.

(c) Liquidity Risk

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

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

Notes to Financial Statements for the year ended March 31, 2020

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

₹ in Lacs					
Particulars	Refer Note	On demand or within 1 year	Over 1 year Within 5 years	Over 5 years	Total
As at March 31, 2020					
Borrowings (including current maturities)	11	-	29,300.70	50,975.19	80,275.89
Trade Payables	15	383.00	-	-	383.00
Lease Liability	12	359.82	1,639.12	6,066.80	8,065.74
Other Financial Liabilities	12	6,211.68	-	-	6,211.68
Total		6,954.50	30,939.82	57,041.99	94,936.31
As at March 31, 2019					
Borrowings (including current maturities)	11	378.86	44,253.61	27,846.24	72,478.71
Trade Payables	15	499.57	-	-	499.57
Lease Liability	12	-	-	-	-
Other Financial Liabilities	12	3,391.15	-	-	3,391.15
Total		4,269.58	44,253.61	27,846.24	76,369.43

25 Earnings per share

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

	March 31, 2020	March 31, 2019
	₹ in Lacs	₹ in Lacs
Loss attributable to equity shareholders of the company	(12,242.17)	(10,888.25)
Weighted average number of equity shares	192,000,000	147,299,315
Basic and Diluted earnings per share (in ₹)	(6.38)	(7.39)

26 Capital commitments

₹ in Lacs		
Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	5,277.18	796.61

Other Commitments

The Company had imported capital goods for its Container Port Terminal Project under the EPCG Scheme at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 72,317.71 lacs (previous year ₹ 72,317.71 lacs) which is equivalent to 6 times of duty saved ₹ 12,052.95 lacs (previous year ₹ 12,052.95 lacs). The export obligation has to be completed by FY 2022-23.

27 Segment information

The Company is primarily engaged in one business segment, namely developing, operating and maintaining the Port services and related Infrastructure facilities as determined by chief operational decision maker, in accordance with Ind-AS 108 "Operating Segment".

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

28 Disclosures as required by Ind AS - 19 Employee Benefits

- a) The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 9.89 lacs (previous year ₹ 31.19 lacs) as expenses under the following defined contribution plan.

₹ in Lacs		
Contribution to	March 31, 2020	March 31, 2019
Provident Fund	9.89	31.19
Total Contribution	9.89	31.19

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

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

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

c) Gratuity

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

₹ in Lacs		
Particulars	March 31, 2020	March 31, 2019
Present value of the defined benefit obligation at the beginning of the year	9.18	38.31
Current service cost	4.19	1.96
Interest cost	0.70	0.82
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	0.26	(0.63)
- change in financial assumptions	1.75	1.65
- experience variance	3.21	(2.73)
Benefits paid	-	(2.38)
Liability Transfer in	7.94	2.86
Liability Transfer out	(4.52)	(30.68)
Present value of the defined benefit obligation at the end of the year	22.71	9.18

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

Particulars	₹ in Lacs	
	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the year	3.93	3.93
Investment income	0.30	0.28
Contributions by employer	43.38	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	(0.34)	-
Acquisition Adjustment (Transfer (Out))	(21.25)	-
Fair value of plan assets at the end of the year	26.02	3.93

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

Contribution to	₹ in Lacs	
	March 31, 2020	March 31, 2019
Present value of the defined benefit obligation at the end of the year	22.71	9.18
Fair value of plan assets at the end of the year	26.02	3.93
Amount recognised in the balance sheet	3.31	(5.25)
Net (liability)/asset - Current	3.31	(5.25)
Net (liability)/asset - Non-current	-	-

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

Particulars	₹ in Lacs	
	March 31, 2020	March 31, 2019
Current service cost	4.19	1.96
Net Interest cost on benefit obligation	0.40	0.53
Less: Capitalised during the year	-	-
Total Expenses included in employee benefits expense	4.59	2.49

e) Recognised in the other comprehensive income for the year

Particulars	₹ in Lacs	
	March 31, 2020	March 31, 2019
Actuarial (gain)/losses arising from		
- change in demographic assumptions	0.26	(0.63)
- change in financial assumptions	1.75	1.65
- experience variance	3.21	(2.73)
Return on plan assets, excluding amount recognised in net interest expense	0.34	-
Recognised in comprehensive income	5.56	(1.71)

f) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2020	March 31, 2019
Weighted average duration (based on discounted cashflows)	10 years	10 years

g) Sensitivity Analysis Method

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

Quantitative sensitivity analysis for significant assumption is as below

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

Particulars	March 31, 2020		March 31, 2019	
	Discount rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ in Lacs		₹ in Lacs	
		(2.08)	2.40	(0.82)

Particulars	March 31, 2020		March 31, 2019	
	Salary Growth rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ in Lacs		₹ in Lacs	
		2.35	(2.08)	0.94

Particulars	March 31, 2020		March 31, 2019	
	Attrition rate			
Sensitivity level	50% Increase	50% Decrease	50% Increase	50% Decrease
Impact on defined benefit obligations	₹ in Lacs		₹ in Lacs	
		(0.76)	1.00	(0.39)

Particulars	March 31, 2020		March 31, 2019	
	Mortality rate			
Sensitivity level	10% Increase	10% Decrease	10% Increase	10% Decrease
Impact on defined benefit obligations	₹ in Lacs		₹ in Lacs	
		-	-	-

h) Asset-Liability Matching Strategies

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

Notes to Financial Statements for the year ended March 31, 2020

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

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

Particulars	March 31, 2020	March 31, 2019
Investments with insurer*	100%	100%

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

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

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.70%	7.60%
Rate of escalation in salary (per annum)	8.00%	8.00%
Mortality	India Assured Lives Mortality 2012-14	India Assured Lives Mortality 2006-08
Attrition rate	6.71%	7.75%

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

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

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

Particulars	₹ in Lacs	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	1.28	0.28
Between 2 and 5 years	5.97	3.06
Between 6 and 10 years	8.45	3.98
Beyond 10 years	33.19	14.73
Total Expected Payments	48.88	22.05

The Company expect to contribute ₹ 1.47 Lacs to the gratuity fund in the financial year 2020-21 (previous year ₹ 7.56 Lacs).

29 Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2020. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Sr No	Particulars	₹ in Lacs	
		Year ended March 31, 2020	Year ended March 31, 2019
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. Principal Interest	Nil Nil	Nil Nil
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

30 Derivative instruments and unhedged foreign currency exposure

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

Nature	Particulars of derivatives		Purpose
	As at March 31, 2020	As at March 31, 2019	
Forward Contract- Supplier's Credit	Nil	USD 48.30 Million	Hedging of equivalent foreign currency borrowing aggregate of ₹ Nil (previous year ₹ 33,399.02)

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

Nature	As at March 31, 2020		As at March 31, 2019	
	Amount ₹ in Lacs	Foreign Currency In Million	Amount ₹ in Lacs	Foreign Currency In Million
Buyer's Credit	-	-	-	-
Buyer's Credit	-	-	1,193.65	USD 1.73
Interest accrued but not due	-	-	-	-
Interest accrued but not due	-	-	239.70	USD 0.35
Trade Payable	0.98	GBP 0.001	-	-

Closing rates as at March 31, 2020:

INR / USD = ₹ 75.67

INR / EURO = ₹ 82.77

INR / GBP = ₹ 93.50

Closing rates as at March 31, 2019:

INR / USD = ₹ 69.16

INR / EURO = ₹ 77.67

INR / GBP = ₹ 90.53

31 Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Company for the year ended on March 31, 2020 for the purposes of reporting as per Ind AS 24 – Related Party Disclosures, which are as under:

Nature of Relationship	Name of the Company
Parent Company	Adani Ports and Special Economic Zone Limited
Fellow Subsidiaries	Adani Hazira Port Private Limited
	Adani Vizag Coal Terminal Private Limited
	The Dhamra Port Company Limited
	Marine Infrastructure Developer Private Limited
Entities over which major shareholders of the parent company are able to exercise significant influence through voting powers	Adani Enterprise Limited
	Adani Power Mundra Limited
	Adani - Elbit Advanced Systems India Limited
	Adani Power Rajasthan Limited
Key Managerial Personnel	1) G.J.Rao-Managing Director (till February 01, 2020)
	2) Sandeep Mehta-Director
	3) Karan Adani-Director
	4) Chitra Bhatnagar-Independent Director
	5) Kunjal Mehta-Chief Financial Officer
	6) Paresh Patel-Company Secretary (w.e.f. May 25, 2019 till November 07, 2019)

Notes:

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

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

Nature of transaction	Name of Related Party	₹ in Lacs	
		For the year ended March 31, 2020	For the year ended March 31, 2019
Equity Infusion	Adani Ports and Special Economic Zone Limited	-	19,195.00
Inter Corporate Deposit Received	Adani Ports and Special Economic Zone Limited	42,461.98	12,258.85
Inter Corporate Deposit Repaid	Adani Ports and Special Economic Zone Limited	72.12	19,909.99
Sale of Project Material	Adani Ports and Special Economic Zone Limited	-	176.09
Sale of Asset	Adani Vizag Coal Terminal Private Limited	-	6.19
Interest Expense	Adani Ports and Special Economic Zone Limited	4,949.94	2,497.55
Services received	Adani Power Mundra Limited	0.02	0.18
Director Sitting Fees	Chitra Bhatnagar	0.48	0.36

Closing Balances

Nature of outstanding balance	Name of Related Party	₹ in Lacs	
		As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on Borrowings	Adani Ports and Special Economic Zone Limited	4,454.94	2,247.79
Borrowings	Adani Ports and Special Economic Zone Limited	80,275.90	37,886.04
Other Current Assets	The Dhamra Port Company Limited	-	2.32
	Marine Infrastructure Developer Private Limited	22.21	-
	Adani Ports and Special Economic Zone Limited	5.78	-
	Adani Power Rajasthan Limited	4.96	2.89
	Adani Hazira Port Private Limited	6.71	-
Trade Payable	Adani Enterprise Limited	-	0.23
	Adani Ports and Special Economic Zone Limited	-	33.17
	Marine Infrastructure Developer Private Limited	-	74.11
	Adani - Elbit Advanced Systems India Limited	-	1.77
	Adani Vizag Coal Terminal Private Limited	3.86	-
Other Current Financial Liability	Adani Logistics Limited	-	1.00
	Adani Ports and Special Economic Zone Limited	207.79	-

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, 2020, 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.

32 Capital Management

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

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

Particulars	₹ in Lacs	
	March 31, 2020	March 31, 2019
Total Borrowings (refer note 11 and 12)	80,275.89	72,478.71
Less: Cash and Cash Equivalents (refer note 8)	591.92	408.36
Net debt (A)	79,683.97	72,070.35
Total Equity (B)	(6,786.11)	5,461.62
Total Equity and net debt (C=A+B)	72,897.86	77,531.97
Gearing ratio (A / C)	109.31%	92.96%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

33 Disclosure with regards to changes in liabilities arising from Financing Activities as set out in Ind AS 7 - Statement of Cash Flows

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

Changes in liabilities arising from financing activities

Particulars	₹ in Lacs					
	Balance as at April 01, 2019	Cash Flows	Foreign Exchange Movement	Charge to the statement of profit and loss during the period	Other Changes	Balance as at March 31, 2020
Buyers Credit	34,592.67	(34,418.30)	(174.37)	-	-	0.00
Inter Corporate Deposit	37,886.04	42,389.86	-	-	-	80,275.90
Derivative Contract	326.06	(884.26)	-	558.20	-	-
Interest Accrued but not due on Borrowings	2,487.50	(3,360.84)	-	5,678.95	(350.67)	4,454.94
Lease Liabilities	-	(612.40)	-	-	8,678.14	8,065.74
Total	75,292.27	3,114.05	(174.37)	6,237.15	8,327.47	92,796.58

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

34 Contingent liabilities not provided for

Sr No	Particulars	₹ in Lacs	
		March 31, 2020	March 31, 2019
1	Wrongly availed and utilized cenvat credit on ineligible input services which were used in or in relation to the construction of container terminal (refer note below)	-	2,841.65
	Total	-	2,841.65

Note on "Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019"

An Amnesty Scheme, Sabka Vishwas Legacy Dispute Resolution Scheme has been introduced by the Central Government in late 2019 to settle pending litigations under Central Excise & Service Tax Law. Any Tax amount payable under the Scheme is required to be paid by cash and cannot be paid by utilizing the ITC balance and litigations once settled under this Scheme shall never be reopened from either side. Considering the above scheme, Company has opted for the same. Hence, removed from the contingent liability for the current year.

Notes to Financial Statements for the year ended March 31, 2020

35 As at March 31, 2020, the Company has incurred net loss of ₹ 12,247.73 lacs (March 31, 2019 ₹ 10,886.54 lacs) and has accumulated losses of ₹ 25,986.11 lacs (March 31, 2019 ₹ 13,738.38 lacs) which has resulted in erosion of the Company's net worth. This being an infrastructure project having long gestation period, the management expects that there will be significant increase in the operations of the Company that will lead to improved cash flows and long term sustainability. Adani Ports and Special Economic Zone Limited, the Parent Company has undertaken to provide such financial support as necessary, to enable the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a 'going concern' basis.

36 The Company has determined the recoverable amounts of Property, Plant & Equipment and Intangible Assets under Ind AS 36, Impairment of Assets, based on the estimates relating to cargo traffic, port tariffs, inflation, discount rates etc. considering plans for future long term contracts with a shipping line which are under negotiation. On a careful evaluation of the aforesaid factors, the Company has concluded that the recoverable amounts of the Property, Plant & Equipment is significantly higher than their carrying amounts as at March 31, 2020 and no provision for impairment in respect of these Property, Plant & Equipment is considered necessary at this stage.

37 Standards issued but not effective:

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

38 Covid-19

The Company's management has made initial assessment of likely impact from the pandemic COVID-19 on business and financial risks based on internal and external sources of information including economic forecasts, measures being under taken by Government and expected GDP growth. The management believes while the COVID-19 may adversely impact on the business in the short term, it does not anticipate material medium to long term risks to the business prospects. The Company has also considered the possible effects of COVID-19 on the carrying amounts of property plant and equipment, intangible assets, receivables and debt covenants using reasonably available information, estimates and judgement and has determined that none of these balances require a material adjustment to their carrying values. The Company has issued notice of Force Majeure to concessioning authority. Based on the preliminary legal evaluation of this notice, the Management does not anticipate any material economic outflow of resources which requires provisioning in these financial statements.

39 Events occurring after the balance sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 04, 2020, there were no subsequent events to be recognized or reported that are not already disclosed.

For and on behalf of Board of Directors

Sandeep Mehta
Director
DIN: 00897409

Karan Adani
Director
DIN: 03088095
Place: Ahmedabad

Kunjal Mehta
Chief Financial Officer

Place: Mumbai
Date: May 04, 2020