



Independent Auditor's Report

To the Members of Adani Tracks Management Services Private Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Adani Tracks Management Services Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the period then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

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

Basis for Opinion

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

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



**Independent Auditor's Report
To the Members of Adani Tracks Management Services Private Limited (Continue)**

Auditor's Responsibility

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

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

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

Materiality is the magnitude of misstatements in the standalone 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.



**Independent Auditor's Report
To the Members of Adani Tracks Management Services Private Limited (Continue)**

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) on the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 B';
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place: Ahmedabad
Date: 27 April, 2020

For, **SHAH DHANDHARIA & CO.**
Chartered Accountants
Firm Reg. No. 118707W

Ankit Ajmera
Partner
Membership No. 434347
UDIN - 20434347AAAABF2232



Annexure - A to the Independent Auditor's Report
RE: Adani Tracks Management Services Private Limited

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

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the period ended 31st March, 2020, we report that:

- (i) The company does not have any Fixed Assets. Accordingly, the provisions of paragraph 3 (i) (a) to (c) of the Order are not applicable.
- (ii) The company does not hold any physical inventory. Accordingly, the provisions of paragraph 3(ii) of the Order are not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees, and security. Accordingly the provisions of paragraph 3 (iv) of order are not applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Accordingly, the provisions of paragraph 3 (v) of the Order are not applicable to the Company.
- (vi) The Company has not started any operations during the period and hence cost records are not prepared by the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company the Company did not have any dues on account of income tax, Goods and Service Tax, Sales tax, Value added tax, service tax, and other material statutory dues.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred above were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding debentures or loans and borrowings from any financial institutions or government during the period. Accordingly, the provisions of paragraph 3 (viii) of the Order are not applicable.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, the provisions of paragraph 3 (ix) of the Order are not applicable.



Independent Auditor's Report

RE: Adani Tracks Management Services Private Limited (Continue)

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

- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/provided. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the period under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place: Ahmedabad
Date: 27 April, 2020

For, **SHAH DHANDHARIA & CO.**
Chartered Accountants
Firm Reg. No. 118707W

Ankit Ajmera
Partner
Membership No. 434347
UDIN - 20434347AAAABF2232



Annexure – B to the Independent Auditor’s Report
RE: Adani Tracks Management Services Private Limited

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

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

Opinion

We have audited the internal financial controls over financial reporting of the company as of 31st March, 2020 in conjunction with our audit of the Standalone Financial Statements of the company for the period ended on that date.

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

Management’s Responsibilities for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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



Annexure – B to the Independent Auditor’s Report
RE: Adani Tracks Management Services Private Limited (continue)

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Place: Ahmedabad
Date: 27 April, 2020

For, **SHAH DHANDHARIA & CO.**
Chartered Accountants
Firm Reg. No. 118707W

Ankit Ajmera
Partner
Membership No. 434347
UDIN - 20434347AAAABF2232

ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
Balance Sheet as at March 31, 2020



Particulars	Notes	Amt in Rs.
		As at March 31, 2020
Assets		
Current assets		
Financial assets		
(i) Cash and Cash Equivalents	3	500,000
(ii) Other Financial Assets		-
Other Current Assets		-
		500,000
Total Assets		500,000
Equity and Liabilities		
Equity		
Equity Share Capital	4	500,000
Other Equity	5	(20,000)
Total Equity		480,000
Liabilities		
Current Liabilities		
Financial Liabilities		
(i) Trade Payables		
(A) Total outstanding dues of micro enterprises and small enterprises	6	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	6	20,000
Other Current Liabilities		-
		20,000
Total Liabilities		20,000
Total Equity and Liabilities		500,000

The accompanying notes are an integral part of financials statements
As per our report of even date

For Shah Dhandharia & Co.
Firm Registration No.: 118707W
Chartered Accountants

For and on behalf of Board of Directors
Adani Tracks Management Services Private Limited

Ankit Ajmera
Partner
Membership No 434347

Deepak Maheshwari
[Director]
DIN: 01724301

Avinash Rai
[Director]
DIN: 08406981

Place : Ahmedabad
Date : April 28, 2020

Place : Ahmedabad
Date : April 28, 2020

ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
Statement of Profit and Loss for the period July 31, 2019 to March 31, 2020



Amt in Rs.

Particulars	Notes	For the period July 31, 2019 to Mar 31, 2020
Expenses		
Other Expenses	7	20,000
Total Expense		20,000
(Loss) for the year		(20,000)
Other Comprehensive Income		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-
Other Comprehensive Income for the period		-
Total Comprehensive (Loss) for the period net of tax		(20,000)
Earning per Equity Share - (Face value of ₹ 10 each)		
Basic and Diluted (in ₹)	9	(0.40)

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As per our report of even date

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ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
Statement of Changes in Equity for the year ended March 31, 2020



Amt in Rs.

Particulars	Equity Share Capital	Reserves and Surplus	Total
		Retained Earning	
Balance as at July 31, 2019	-	-	-
(Loss) for the period	-	(20,000)	(20,000)
Other Comprehensive Income for the period	-	-	-
Total Comprehensive (Loss) for the period	-	(20,000)	(20,000)
Share issue during the period	500,000	-	500,000
Balances as at March 31, 2020	500,000	(20,000)	480,000

The accompanying notes are an integral part of financials statements
As per our report of even date

For Shah Dhandharia & Co.
Firm Registration No.: 118707W
Chartered Accountants

For and on behalf of Board of Directors of
Adani Tracks Management Services Private Limited

Ankit Ajmera
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ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
Statement of Cash Flows for the period July 31, 2019 to March 31, 2020



Particulars	Amt in Rs.	
	For the period July 31, 2019 to Mar 31, 2020	
A. Cash Flow from Operating Activities		
Loss before tax		(20,000)
Operating (Loss) Before Working Capital Changes		(20,000)
Adjustment for Working Capital Changes: (Decrease) / Increase in Trade Payables		- 20,000
Cash generated from/ (used in) Operating Activities		-
Direct Taxes paid (net of Refunds)		-
Net Cash generated from/ (used in) Operating Activities (A)		-
B. Cash Flows from Investing Activities		-
Net Cash generated from/ (used in) Investing Activities (B)		-
C. Cash Flows from Financing Activities		
Proceeds from Issuance of Share Capital		500,000
Net Cash generated from/ (used in) Financing Activities (C)		500,000
D. Net (Decrease) / Increase in Cash & Cash Equivalents (A + B + C)		500,000
E. Cash and Cash Equivalents at the Beginning of the period		-
F. Cash & Cash Equivalents at the End of the Period		500,000
Component of Cash and Cash Equivalents		
Balances with Scheduled Bank In Current Accounts (refer note 3)		500,000
Cash and Cash Equivalents at the End of the Period		500,000

Summary of significant accounting policies refer note 2.2

(1) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statements on 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 as required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) as under.

Ind AS 7 requires entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for current period.

Particulars	As at July 31, 2019	Cash Flows	Non Cash Changes	Amt in Rs.
				As at March 31, 2020
Issuance of Share Capital	-	500,000	-	500,000
TOTAL	-	500,000	-	500,000

The accompanying notes are an integral part of financials statements
As per our report of even date

For Shah Dhandharia & Co.
Firm Registration No.: 118707W
Chartered Accountants

For and on behalf of Board of Directors
Adani Tracks Management Services Private Limited

Ankit Ajmera
Partner
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Deepak Maheshwari
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DIN: 01724301

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[Director]
DIN: 08406981

Place : Ahmedabad
Date : April 28, 2020

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Date : April 28, 2020

1 Corporate information

Adani Tracks Management Services Private Limited ("ATMSPL" or "the Company") was incorporated on July 31, 2019, having its registered office at Adani House, 56 Shrimai House, Navrangpura, Ahmedabad, Gujarat 380009, India, as a 100% subsidiary of Adani Ports and Special Economic Zone Limited (Parent Company or "APSEZL") with an objective to carry on the business of development, establishment, construction, repairing, operations, maintenance leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility including without limitation to act as managers, administrators, executors, receivers, operators, custodians, nominees, promoters, developers, agents, attorneys, representatives, counselors, consultants and advisers of railway projects.

The financial statements were authorised for issue in accordance with the resolution of directors on April 28, 2020

2 Basis of preparation

2.1 The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), generally accepted accounting principles and other relevant provisions of the Act. The financial statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest rupees, 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 treated as 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

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) 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,

c) Earnings per share

The Basic earning per share has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

d) Provisions, Contingent Liabilities and Contingent Assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources is remote. Contingent assets are disclosed where inflow of economic benefits is probable.

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

e) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

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

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

-Financial instruments (including those carried at amortised cost) (refer note 8.1)

f) Financial instruments

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

> Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as

- > Debt instruments at amortised cost

Debt instruments at amortised cost

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

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

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

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 financial assets and credit risk exposure that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

For recognition of impairment loss on other financial assets and risk exposure, the 12 Month ECL is used to provide if credit risk has not increased significantly and if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR.

> Financial liabilities**Initial recognition and measurement**

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Loans and borrowings

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

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

This category generally applies to borrowings.

Derecognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

g) Related party Transactions

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representations made by the management and information available with the Company.

2.3 Significant accounting estimates and assumptions

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

Estimates and assumptions

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

Fair value measurement of financial instruments

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

		As at March 31, 2020 Amt in Rs.
3	Cash and Cash Equivalents	
	Balances with banks:	
	Balance in current account	500,000
	TOTAL	500,000

		As at March 31, 2020 Amt in Rs.
4	Equity Share capital	
	Authorised shares	
	50,000 Equity Shares of ₹ 10 each	500,000
	Issued, subscribed and fully paid up shares	
	50,000 Equity Shares of ₹ 10 each fully paid up	500,000
	TOTAL	500,000

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

	As at March 31, 2020	
	No.	Amt in Rs.
At the beginning of the period	-	-
Issued during the period	50,000	500,000
Outstanding at the end of the period	50,000	500,000

(b) Terms/rights attached to equity shares:

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

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

(c) Shares held by parent company

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

	As at March 31, 2020 Amt in Rs.
Adani Ports and Special Economic Zone Limited, the parent company and its nominee	
50,000 Equity Shares of ₹ 10 each fully paid	500,000

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

Particulars	As at March 31, 2020
	No.
Equity shares of ₹ 10 each fully paid	
Adani Ports and Special Economic Zone Limited, the parent company and its nominee	500,000
% Holding	100

		As at March 31, 2020 Amt in Rs.
5	Other Equity	
	Retained earnings (refer note below)	
	Opening Balance	-
	Add : (Loss) for the period	(20,000)
	Other Comprehensive Income for the period	
	Closing Balance	(20,000)
	TOTAL	(20,000)

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 specified purpose, as approved by the Board of Directors of the company.

		As at March 31, 2020 Amt in Rs.
6	Trade payables	
	Total outstanding dues of micro enterprises and small enterprises	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	20,000
	TOTAL	20,000

(This space has been left intentionally blank)

7 Other Expenses

Legal and Professional Expenses
Payment to Auditors (refer note 1 below)
Miscellaneous Expenses

TOTAL

For the period July 31, 2019 to Mar 31, 2020	
Amt in Rs.	
	-
	20,000
	-
	20,000

Note: 1

Payment to Auditor

As Auditor:

Audit fee
Limited review

In other Capacity

Certification Fees

Reimbursement of expenses

TOTAL

For the period July 31, 2019 to Mar 31, 2020	
Amt in Rs.	
	20,000
	-
	-
	-
	20,000

8 Financial Instruments, Financial Risk and Capital Management :

8.1 Category-wise Classification of Financial Instruments:

Particulars	Refer Note	Amt in Rs.	
		As at March 31, 2020	
		Amortised Cost	Carrying Value
Financial Asset			
Cash and Cash Equivalents	3	500,000	500,000
Other financial assets		-	-
Total		500,000	500,000
Financial Liabilities			
Trade payables	6	20,000	20,000
Total		20,000	20,000

8.2 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.

8.3 Financial Risk objective and policies

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

The Company's risk management activities are subject to the management, direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management 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.

Since the company has not started any operations the company is not exposed to any significant risk.

8.4 Capital management

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

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

Particulars	Refer note	Amt in Rs.
		March 31, 2020
Net debt (total debt less cash and cash equivalents)		-
Total Equity	4	500,000
Total Equity and Net Debt		500,000
Gearing ratio		-

(This space has been left intentionally blank)

For the period
July 31, 2019 to Mar 31,
2020
Amt in Rs.

9 Earning per share

(loss) attributable to equity shareholders of the company	(20,000)
Weighted average number of equity shares	50,000
Basic and Diluted earning per share (In Rs.)	(0.40)

10 Contingent liabilities not provided for and Commitments

Based on the information available with the Company, there is ₹ nil contingent liability and commitments at the period ended March 31, 2020.

11 Segment information

The Company is primarily engaged in the business of developing, operating and maintaining the port based terminal infrastructure facilities. The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting as determined by chief operational decision maker. There being no business outside India, the entire business has been considered as single geographic segment.

12 As per the company there are no supplier being covered under the Micro, Small and Medium Enterprises Development Act 2006. Accordingly no information is required to be reported in the financials.

13 Related Parties Disclosures

Particulars	Name of Company
Parent Company	Adani Ports and Special Economic Zone Ltd ('APSEZL')
Key Managerial Personnel	Mr. Deepak Maheshwari Mr. Subrat Tripathy Mr. Avinash Chand Rai

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 period 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.

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 period ended with these parties have been given below.

Transactions	Name of Related Party	Amt in Rs. For the period ended March 31, 2020
Issue of Equity Shares	Adani Ports and Special Economic Zone Ltd	500,000

14 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 April 28, 2020, there were no subsequent events to be recognized or reported that are not already disclosed.

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

For Shah Dhandharia & Co.
Firm Registration No.: 118707W
Chartered Accountants

**For and on behalf of Board of Directors of
Adani Tracks Management Services Private Limited**

Ankit Ajmera
Partner
Membership No 434347

Deepak Maheshwari
[Director]
DIN: 01724301

Avinash Rai
[Director]
DIN: 08406981

Place : Ahmedabad
Date : April 28, 2020

Place : Ahmedabad
Date : April 28, 2020