

G. H. Choksi & Co.

Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad – 380 006
Dial: 91 – 79 – 6819 8900, 9925174555 – 56 Email: info@gkcco.com

Independent Auditor's Report

To the Members of MPSEZ Utilities Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MPSEZ Utilities Private Limited** (“the Company”) which comprises 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 notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit, 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 (SAs) specified under section 143(10) of the Companies Act, 2013. 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 independence requirements that are relevant for audit of financial

708-709, Raheja Chambers, Free Press Journal Road, Nariman Point, Mumbai – 400 021
Dial: 91-22-66324446/47 FAX: 91-22-22882133 Email: mumbai@gkcco.com
mailto:mumbai@gkcco.com

Branches: 207, Tolstoy House, Tolstoy Marg, Janpath, New Delhi – 110 001
Dial: 91-11-43717773-73 Email: info@gkcco.com

'Surya Bhavan', Station Road, Petlad – 388 450. Dial: 91-2697-224108

statement under the provisions of the Act and Rules made thereunder, we have fulfilled our ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

We draw attention to note 42(b) to the financial statements in respect of non-appointment of full time Company Secretary as required under Section 203 of the Companies Act, 2013. Our opinion is not qualified in respect this matter.

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 the Annexures to the 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 on the other information that we obtained prior to the date of this auditor's report, 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total

comprehensive income, changes in equity and cash flows 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

The Board of Directors are 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 judgment and maintain professional skepticism throughout the audit. We also:

- 1) 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.

- J 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..
- J Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- J 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.
- J 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.

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, 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 books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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 A”.
- 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 Company has not paid the remuneration to its directors during the year.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed details of pending litigations in Note 33 to the Financial Statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. 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 Companies Act, 2013, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

FOR G. K. CHOKSI & CO.

[Firm Registration No.101895W]

Chartered Accountants

Place : Ahmedabad

Date : 21st April, 2020

UDIN: 20040727AAAAFX2836

SANDIP PARIKH

Partner

Mem. No. 040727

ANNEXURE -A TO THE INDEPENDENT AUDITORS' 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 **MPSEZ Utilities Private Limited** ("the Company") as on 31st March, 2020 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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") 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 judgment, 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 of the company.

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 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 and 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 31st March, 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 G. K. CHOKSI & CO.

[Firm Registration No.101895W]

Chartered Accountants

Place : Ahmedabad

Date : 21st April, 2020

UDIN: 20040727AAAAFX2836

SANDIP PARIKH

Partner

Mem. No. 040727

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and its situation.
 - (b) The Company has a regular programme for physical verification, in a phased periodic manner, which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company. In respect of immovable properties of land that has been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- (ii) As explained to us, the Management of the Company has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to information and explanation given to us 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.
- (iv) In our opinion and according to information and explanations given to us, the Company has not made any loan, investment, guarantees or security and therefore the provision of Clause 3(iii) of the Order is not applicable to the Company.
- (v) According to information and explanation given to us the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, reporting under Clause 3 (v) of the order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for the business activities carried out by the Company and therefore, reporting under Clause 3(vi) of the Order is not applicable to the Company.
- (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, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service 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) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at 31st March, 2020 on account of dispute are given below:

Name of the Statute	Nature of Dues	Disputed Amount	Amount Paid under Protest	Period of Dues	Forum at which Dispute is Pending
Income-tax Act, 1961	Income Tax	40,146	NIL	2017-18	The Commissioner of Income-tax (Appeals)

- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debenture and has not taken any loan or borrowings from government and financial institutions.
- (ix) In our opinion and according to information and explanations given to us the term loans have been applied by the Company during the year for the purpose for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no 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 give to us and based on our examination of the records of the Company, the Company has not paid provided any managerial remuneration. Accordingly reporting under clause 3 (xi) of the order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly reporting under clause 3 (xii) of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable for all transactions with related parties and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore, the reporting under clause 3 (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 non-cash transactions with directors or directors of its holding ,subsidiary or associate Company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the reporting under clause 3 (xvi) of the order is not applicable to the Company.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

SANDIP PARIKH

Partner

Place : Ahmedabad

Date : 21st April, 2020

Mem. No. 040727

UDIN: 20040727AAAAFX2836

(Amount in ₹)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	64,02,01,652	75,36,72,659
Right of use assets	3	10,66,97,894	-
Capital work-in-progress	3	2,52,38,968	1,59,19,847
Other financial assets	4	-	34,899
Deferred tax assets (net)	5	3,20,26,509	45,90,802
Income Tax Assets (net)	6	50,55,009	31,76,751
Other non-current assets	7	13,81,36,627	13,80,32,427
Total Non-Current Assets		94,73,56,659	91,54,27,385
Current assets			
Inventories	8	51,61,843	42,71,432
Financial assets			
Investments	9	13,049	12,304
Trade receivables	10	12,07,10,560	16,19,43,900
Cash and cash equivalents	11	6,74,70,800	64,23,428
Bank balance other than cash and cash equivalents	12	1,00,36,396	8,10,00,000
Loans	13	25,00,00,000	1,40,00,000
Other financial assets	4	1,88,47,755	12,88,078
Other current assets	7	15,67,02,220	15,07,04,754
Total Current Assets		62,89,42,623	41,96,43,896
Total Assets		1,57,62,99,282	1,33,50,71,281
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	13,13,50,000	13,13,50,000
Other equity	15	83,82,65,292	73,16,19,119
Total Equity		96,96,15,292	86,29,69,119
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	16	10,00,000	-
Other financial liabilities	17	4,47,14,613	4,28,54,225
Provisions	18	21,24,012	19,20,186
Other non-current liabilities	19	43,86,53,915	32,61,30,226
Total Non-Current Liabilities		48,64,92,540	37,09,04,637
Current liabilities			
Financial liabilities			
Trade payables			
(a) Total outstanding dues of micro and small enterprises	20	-	21,600
(b) Total outstanding dues of creditors other than micro and small enterprises	20	6,69,20,307	8,24,28,983
Other current financial liabilities	17	3,89,90,744	1,42,17,781
Other current liabilities	19	1,30,58,208	30,42,723
Provisions	18	12,22,191	14,86,438
Total Current Liabilities		12,01,91,450	10,11,97,525
Total Liabilities		60,66,83,990	47,21,02,162
Total Equity and Liabilities		1,57,62,99,282	1,33,50,71,281
Summary of Significant accounting policies	2.3		

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

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors of

SANDIP A. PARIKH
Partner
Membership No. 040727

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Place: Ahmedabad
Date: April 21, 2020

Date: April 21, 2020

MPSEZ Utilities Private Limited
Statement of Profit and Loss for the year ended March 31, 2020



(Amount in ₹)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	21	1,80,13,35,862	1,62,20,08,760
Other income	22	1,73,91,179	1,35,04,778
Total income		1,81,87,27,041	1,63,55,13,538
EXPENSES			
Operating expenses	23	1,55,69,49,219	1,40,25,80,558
Employee benefits expense	24	2,66,50,433	3,10,29,498
Depreciation and amortization expense	3	5,72,97,108	4,74,62,902
Finance costs	25	70,93,583	25,39,000
Other expenses	26	7,52,20,396	6,33,36,059
Total expenses		1,72,32,10,739	1,54,69,48,017
Profit before exceptional items and tax		9,55,16,302	8,85,65,521
Exceptional items			
Profit before tax		9,55,16,302	8,85,65,521
Tax expense:	27		
Current tax		1,59,46,391	1,83,55,594
Deferred tax		(1,59,82,671)	1,08,38,001
MAT credit entitlement		(1,13,53,038)	(1,50,20,115)
Total tax expense		(1,13,89,318)	1,41,73,480
Profit for the year		10,69,05,620	7,43,92,041
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		(3,59,445)	(7,30,350)
Income Tax effect	27	99,998	1,96,130
Other comprehensive Income for the year		(2,59,447)	(5,34,220)
Total comprehensive Income for the year		10,66,46,173	7,38,57,821
Basic and diluted earnings per equity shares (in ₹) face value of ₹ 10 each	31	8.14	5.66
Summary of Significant accounting policies	2.3		

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

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors of

SANDIP A. PARIKH
Partner
Membership No. 040727

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Place: Ahmedabad
Date: April 21, 2020

Date: April 21, 2020

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Net profit before tax	9,55,16,302	8,85,65,521
Adjustments for:		
Depreciation and amortization	5,72,97,108	4,74,62,902
Amortizations of service line contributions	(2,12,98,241)	(1,84,05,120)
Interest income	(1,59,02,034)	(14,29,065)
Net (gain)/loss on sale of current investments	(12,84,735)	(1,13,83,138)
Interest expense	55,80,475	13,06,409
Operating profit before working capital changes	11,99,08,875	10,61,17,508
Movements in working capital :		
Decrease/(increase) in trade receivables	4,12,33,340	(13,42,48,810)
(Increase) in inventories	(8,90,410)	(30,21,939)
(increase)/Decrease in financial assets	(79,54,044)	70,331
(Increase) in other assets	(59,97,481)	(1,02,23,998)
(decrease)/Increase in trade payables	(1,55,30,264)	1,71,55,950
Increase in other liabilities	14,38,37,418	5,49,81,536
(decrease)/Increase in provisions	(4,19,866)	8,87,894
(Decrease)/Increase in financial liabilities	(57,23,499)	2,22,16,900
Cash generated from operations	26,84,64,069	5,39,35,371
Direct taxes paid (net of refunds)	(1,78,24,649)	(2,51,49,379)
Net cash generated from operating activities (A)	25,06,39,420	2,87,85,993
Cash flows from investing activities		
Purchase of Property plant & equipment (Including capital work In progress and capital advances)	(2,67,84,643)	(5,74,00,503)
Intercompany deposit / loans given	(25,00,00,000)	(1,40,00,000)
Intercompany deposit / loans received back	1,40,00,000	-
Interest received	62,96,401	6,04,117
Investment in Mutual Fund	(1,01,20,00,000)	(2,25,20,00,000)
Proceeds from sale of Mutual Fund	1,01,32,83,989	2,26,91,41,995
Redemption/(Deposit) of margin money	7,09,98,503	(8,09,67,149)
Net cash inflow/ (outflow) investing activities (B)	(18,42,05,750)	(13,46,21,540)
Cash flows from financing activities		
Repayment of long-term borrowings	(10,00,00,000)	(10,00,00,000)
Proceeds from inter corporate deposit	8,00,00,000	7,18,00,000
Repayment of inter corporate deposit	(8,00,00,000)	(7,08,00,000)
Interest portion of lease obligation	(17,08,581)	-
Interest paid	(26,77,717)	(11,75,615)
Net cash inflow/ (outflow) financing activities (C)	(53,86,298)	(11,75,615)
Net increase / (decrease) in cash & cash equivalents (A + B + C)	6,10,47,372	(10,70,11,162)
Cash and cash equivalents at the beginning of the year	64,23,428	11,34,34,590
Cash and cash equivalents at the end of the year (Refer note-11)	6,74,70,800	64,23,428
Notes:		
Component of cash and cash equivalents		
Balances with scheduled bank		
On current accounts	6,74,70,800	64,23,428
Total cash and cash equivalents	6,74,70,800	64,23,428
Margin money deposits (restricted cash)	1,00,36,396	8,10,00,000
Summary of significant accounting policies 2.3		
Note :		
(1) The Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 on Cash Flow Statements notified under section 133 of The Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).		
(2) Disclosure required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is presented in note - 41		
(3) The company considers interest paid to customers on security deposit as cash outflow from operating activity. Therefore, the interest paid under financing activities relates to interest paid on bank loan, interest paid on Inter Corporate Deposits and finance costs.		

As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors of

SANDIP A. PARIKH
Partner
Membership No. 040727

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Place: Ahmedabad
Date: April 21, 2020

Date: April 21, 2020

MPSEZ Utilities Private Limited
Statement of Changes in Equity for the year ended March 31, 2020



(Amount in ₹)

Particulars	Equity Share Capital	Other Equity		Total
		Share Premium	Reserves and Surplus Retained Earning	
Balance as on April 01, 2018	13,13,50,000	39,37,50,000	26,40,11,298	78,91,11,298
Profit for the year	-	-	7,43,92,041	7,43,92,041
Other Comprehensive Income	-	-	(5,34,220)	(5,34,220)
Total Comprehensive Income for the year	-	-	7,38,57,821	7,38,57,821
Balance as on March 31, 2019	13,13,50,000	39,37,50,000	33,78,69,119	86,29,69,119
Profit for the year	-	-	10,69,05,620	10,69,05,620
Other Comprehensive Income	-	-	(2,59,447)	(2,59,447)
Total Comprehensive Income for the year	-	-	10,66,46,173	10,66,46,173
Balance as on March 31, 2020	13,13,50,000	39,37,50,000	44,45,15,292	96,96,15,292

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1 Corporate information

The financial statements comprise financial statements of MPSEZ Utilities Private Limited (the "Company, MUPL") for the year ended March 31, 2019. The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% Subsidiary company of Adani Ports and Special Economic Zone Limited (APSEZL), incorporated on 13th July, 2007 and a Co-developer to provide infrastructure facilities in Mundra Special Economic Zone. The main objective of the company is to provide facility of distribution of electricity, effluent & sewage in Mundra SEZ area, Kutch, Gujarat. The registered office of the Company is located at "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat, INDIA.

2.1 Basis of preparation

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

The Financial Statements have been prepared on 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.

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 hitherto in use.

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest rupees, except numbers.

2.2 Significant accounting estimates and assumptions

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

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 on 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.

The significant estimates and judgements are listed below:

- (i) 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.
- (ii) Judgements by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.
- (iii) Significant judgement is required in assessing at each reporting date whether there is indication that a financial asset may be impaired.
- (iv) The impairment provision for financial assets are based on the assumptions about risk of default and expected loss rates. The company uses judgements in making the assumptions and selecting the inputs to the impairment calculations, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.
- (v) Significant judgement is required in assessing at each reporting date whether there is indication that a non-financial asset may be impaired.
- (vi) Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.
- (vii) In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the 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 28 for further disclosures.
- (viii) Significant judgment has been exercised by management in recognition of MAT credit and estimating the period of its utilisation.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

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

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and 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.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises 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 (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the development of the asset / project to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under rates as per Appendix III of CERC (Terms and conditions of Tariff) Regulations, 2009 which are in line with Annexure I of Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2011.

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

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

Leasehold land is amortized over the lease period.

For all periods up to and including the year ended 31 March 2017, Service line contribution received from consumers towards unconnected lines are recognised under other current financial liabilities till such lines are fully commissioned. When the lines are fully commissioned and capitalised in books, such contribution received is recognised in carrying value of such lines from the block of property, plant and equipment. The company during the year has changed its presentation and elected to present the service lines contribution as deferred revenue under the head of non-current liabilities. Further, hitherto, the company presented depreciation charge on such assets as net of amortisation on such contribution being capitalised. Consequent to change in presentation of such service line contribution, the depreciation is presented on gross value and amortisation of such line is being presented as other operating income.

e) Revenue recognition

IND AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IND AS 18 "Revenue", IND AS 11 "Construction Contracts" and related interpretations. Under IND AS 115, revenue is recognised when a customer obtains control of the goods or services. Revenue is recognised to the extent that it is probable that the Company will collect the consideration to which it is entitled. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Company has adopted IND AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. April 01, 2018). The Company's current practises for recognising revenue have shown to comply in all material aspects with the concepts and principles encompassed by the new standard. Therefore, IND AS 115 did not have a significant impact on the Company's accounting for revenue recognition.

Revenue is recognised upon transfer of control of promised goods/ services to customers in an amount that reflects the consideration we expect to receive in exchange of those products and services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

i) Sale of power

Revenue from power supply and distribution charges are accounted for on the basis of billings to consumers and in accordance with tariff orders issued by Gujarat Electricity Regulatory Commission. Revenue recognized in excess of billing has been reflected under "other current assets" as accrued revenue. Further, in view of the uncertainties involved in the recoverability, the quarterly Fuel and Power Purchase Price Adjustment ("FPPPA") claims are accounted for as and when allowed by the regulatory authorities and true up adjustments claims are accounted for as and when billed to the consumers.

ii) Service line contribution

Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

iii) Dividend

Dividend is recognised when the share holders' right to receive payment is established on the balance sheet date.

iv) Interest income

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

f) Retirement and other employee benefits

All employee benefits payable wholly within 12 months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

i) Provident fund

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

ii) Gratuity fund

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

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

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

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

iii) Compensated absences

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absence. 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.

g) Borrowing costs

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

h) Segment reporting

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

In accordance with the Ind-As 108 - " Operating Segments" , the Company has determined its business segment of distribution of electricity, effluent & sewage facilities. 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.

i) 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 Ind-AS 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

j) Leases

Ind AS 116 supersedes Ind AS 17 Leases and IFRIC 4 Determining whether an Arrangement contains 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 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 IFRIC 4 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').

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. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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 on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

k) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. For the purpose of calculating diluted earning per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Taxes

Tax expense comprises of current and deferred tax.

i) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

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

ii) 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 an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

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

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Deferred tax include MAT Credit Entitlement. 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.

m) 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.

n) 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.

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

Contingent liabilities and contingent assets

Contingent liabilities is disclosed in the case of :

a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

a present obligation arising from past events, when no reliable estimate can be made.

a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

o) 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 categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

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

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

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

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

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

-Disclosures for valuation methods, significant estimates and assumptions (refer note 28 and 2.2)

-Quantitative disclosures of fair value measurement of financial instruments (refer note 28)

-Investment in unquoted equity shares (refer note 29)

p) Financial instruments

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

(A) 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 or loss (FVTPL).
- > Equity instruments measured at fair value through other comprehensive income (FVTOCI).

i) 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.

ii) Debt instrument at FVTOCI

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not classified any financial asset into this category.

iii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at 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 recognized in the P&L.

(B) Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

b) 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 11 and Ind AS 18.

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

- > Trade receivables or contract revenue receivables; and
- > All lease receivables resulting from transactions within the scope of Ind AS 17.

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent Measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

Loans and borrowings

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

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

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 instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments. 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. If the Company reclassifies the 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 the business model.

Offsetting financial assets and financial liabilities

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

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2.4 New and amended standards adopted by the Company

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

i) Ind AS 116 Leases

Nature of the effect of adoption of Ind AS 116

The Company has lease contracts for various items of property including land. 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 profit or 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. 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 of March 31, 2019 reconciled with lease liabilities as at April 01, 2019 as follows:

Particulars	(Amount in ₹)
Future operating lease commitments as at March 31, 2019	7,17,78,299
Weighted average incremental borrowing rate as at April 01, 2019	7.50%
Discounted operating lease commitments at April 01, 2019	3,21,53,977
Less:	
Commitments relating to short-term leases	-
Add:	
Commitments relating to leases previously classified as finance leases	-
Lease liabilities as at April 01, 2019	3,21,53,977

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application

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

Particulars	(Amount in ₹)
Assets	
Right of use assets	11,11,90,370
Property, plant and equipment (Re-classification)	(7,90,36,393)
Total Assets	3,21,53,977
Liabilities	
Financial Liabilities - Lease Liabilities (Current + Non Current)	3,21,53,977
Total Liabilities	3,21,53,977

Summary of new accounting policies

Set out below are the new accounting policies of the Company upon adoption of Ind AS 116:

> **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. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

> **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 on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

> **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (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 to leases of office equipment that are considered of 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.

> **Significant judgement in determining the lease term of contracts with renewal options**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

> **Amounts recognised in the Balance sheet and statement of profit and loss:**

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the year:

Particulars	(Amount in ₹)	
	Right to Use of Assets Land	Lease Liabilities
As at April 01, 2019	-	1,20,94,090
Recognition on Initial application of Ind As 116	3,21,53,977	3,21,53,977
Re-class from Leasehold Land	7,90,36,393	-
Depreciation and Amortisation Expenses	(44,92,476)	-
Interest Expenses	-	22,83,412
Payments	-	(22,88,304)
As at March 31, 2020	10,66,97,894	4,42,43,175

Set out below, are the amounts recognised in statement of profit or loss:

Particulars	(Amount in ₹)
	For the year March 31, 2020
Post-amendment in Ind AS 116	
Depreciation expense of right-of-use assets	44,92,476
Interest expense on lease liabilities	22,83,412
Total amounts recognised in profit or loss	67,75,888
Pre-amendment in Ind AS 116	
Rent expense	17,08,500
Depreciation expenses	32,55,785
Total amount that would have been recognised in profit or loss	49,64,285

Note 3 - Property, plant and equipment

(Amount in ₹)

Particulars	Property, Plant and Equipment							Total
	Leasehold land	Building	Plant & machinery	Furniture & fixtures	Office equipments	Computer equipment	Vehicles	
Cost								
As at March 31, 2018	5,39,72,951	2,10,38,381	67,35,84,347	1,27,169	60,000	86,816	1,90,193	74,90,59,857
Additions	3,37,28,590	96,71,855	14,44,94,100	-	-	7,62,396	-	18,86,56,941
Deductions/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2019	8,77,01,541	3,07,10,236	81,80,78,447	1,27,169	60,000	8,49,212	1,90,193	93,77,16,798
Additions	-	-	1,83,00,018	-	70,000	-	-	1,83,70,018
Deductions/Adjustment	-	-	-	-	-	-	-	-
Re-class to Right of Use assets	(8,77,01,541)	-	-	-	-	-	-	(8,77,01,541)
As at March 31, 2020	-	3,07,10,236	83,63,78,465	1,27,169	1,30,000	8,49,212	1,90,193	86,83,85,275
Depreciation and Impairment								
As at March 31, 2018	63,87,750	24,98,126	12,75,50,708	29,617	3,797	48,494	62,745	13,65,81,237
Depreciation for the year	22,77,398	8,62,800	4,42,64,040	10,143	3,798	23,808	20,915	4,74,62,902
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2019	86,65,148	33,60,926	17,18,14,748	39,760	7,595	72,302	83,660	18,40,44,139
Depreciation for the year	-	11,55,748	5,14,84,806	10,143	5,505	1,27,515	20,915	5,28,04,632
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
Re-class to Right of Use assets	(86,65,148)	-	-	-	-	-	-	(86,65,148)
As at March 31, 2020	-	45,16,674	22,32,99,554	49,903	13,100	1,99,817	1,04,575	22,81,83,623
Net Block								
As at March 31, 2020	-	2,61,93,562	61,30,78,911	77,266	1,16,900	6,49,395	85,618	64,02,01,652
As at March 31, 2019	7,90,36,393	2,73,49,310	64,62,63,699	87,409	52,405	7,76,910	1,06,533	75,36,72,659

Note :-

(1) For development of infrastructure at Mundra, the Company has been allotted land on lease basis by Adani Ports and Special Economic Zone Limited.

(2) With effect from April 01, 2019, the company has adopted Ind AS 116 "Leases" and consequently Leasehold land has been re-classified as Right of Use assets.

Right of use assets:-

Particulars	(Amount in ₹)
Recognition on Initial application of Ind As 116 as at April 01, 2019	3,21,53,977
Re-class from Leasehold Land	7,90,36,393
Deductions/Adjustment	-
As at March 31, 2020	11,11,90,370
Accumulated Depreciation	
Depreciation for the year	44,92,476
Deductions/(Adjustment)	-
As at March 31, 2020	44,92,476
Net Block	
As at March 31, 2020	10,66,97,894

Note - Right of Use of asset has been recognised in accordance with Ind AS 116, which represents Land taken on lease from Adani Ports and Special Economic Zone Limited.

Capital Work-in-Progress :-

Particulars	(Amount in ₹)
Carring amount:	
As at March 2020	2,52,38,968
As at March 2019	1,59,19,847

Capital Working in progress consists of Project Material Items.

4 Other financial assets

Non-current

Bank Deposits having maturity over 12 months

March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
-	34,899
-	34,899

Current

Security and other deposits

- Considered good

Interest accrued on deposits and loans

Loans and advance to employees

76,83,130	1,83,130
1,04,30,581	8,24,948
7,34,044	2,80,000
1,88,47,755	12,88,078

5 Deferred tax liabilities/Assets (net)

Deferred tax assets

Tax credit entitlement under MAT

March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
---------------------------------	---------------------------------

5,30,83,061

4,17,30,023

Deferred tax liability

Deferred Tax Liabilities (net)

(2,10,56,552)

(3,71,39,221)

3,20,26,509

45,90,802

6 Income tax assets (net)

Advance income tax (Net of provision for taxation)

March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
---------------------------------	---------------------------------

50,55,009

31,76,751

50,55,009

31,76,751

7 Other assets

Non Current

Capital advances

Unsecured, considered good

March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
---------------------------------	---------------------------------

13,81,36,627

13,80,32,427

13,81,36,627

13,80,32,427

Current

Advances recoverable in cash or in kind

Unsecured, considered good

72,35,592

37,18,803

(a) **72,35,592**

37,18,803

Others (Unsecured)

Prepaid Expenses

Accrued revenue

Balances with statutory/ Government authorities

2,47,437

2,18,284

14,91,07,010

14,62,96,214

1,12,181

4,71,453

(b) **14,94,66,628**

14,69,85,951

(a + b) **15,67,02,220**

15,07,04,754

8 Inventories

Stores and spares

March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
---------------------------------	---------------------------------

51,61,843

42,71,432

51,61,843

42,71,432

9 Investments

Current

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

Unquoted Mutual Funds

4.78 Unit of ₹ 1000 each in Invesco India Liquid Fund - Direct Plan Growth (LF-D1) as on 31st March, 2020

13,049

-

4.78 Unit of ₹ 1000 each in Invesco India Liquid Fund - Direct Plan Growth (LF-D1) as on 31st March, 2019

-

12,304

13,049

12,304

10 Trade receivables	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Current		
Unsecured considered good unless stated otherwise		
Trade receivables	12,07,10,560	16,19,43,900
Considered doubtful	45,48,123	45,48,123
	12,52,58,683	16,64,92,023
Provision for doubtful debts	(45,48,123)	(45,48,123)
	12,07,10,560	16,19,43,900

Note :-

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

11 Cash and cash equivalents	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Balances with banks:		
Balance in current account	6,74,70,800	64,23,428
	6,74,70,800	64,23,428

12 Bank balances other than cash and cash equivalents	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Margin money deposits	36,396	-
Deposits with original maturity over 3 months but less than 12 months	1,00,00,000	8,10,00,000
	1,00,36,396	8,10,00,000

13 Loans	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Current		
Loan to related parties (refer note 43)		
- Unsecured, considered good	-	1,40,00,000
Loans to others		
- Unsecured, considered good	25,00,00,000	-
	25,00,00,000	1,40,00,000

14 Equity Share capital	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Authorised		
1,31,50,000 Equity Shares of ₹ 10 each (1,31,50,000 Equity Shares of ₹ 10 each as at March 31, 2019)	13,15,00,000	13,15,00,000
	13,15,00,000	13,15,00,000
Issued, subscribed and fully paid up shares		
1,31,35,000 Equity Shares of ₹ 10 each (1,31,35,000 Equity Shares of ₹ 10 each as at March 31, 2019)	13,13,50,000	13,13,50,000
	13,13,50,000	13,13,50,000

Notes:

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

	March, 31, 2020		March, 31, 2019	
	Nos	(Amount in ₹)	Nos	(Amount in ₹)
At the beginning of the year	1,31,35,000	13,13,50,000	1,31,35,000	13,13,50,000
New Shares Issued during the year	-	-	-	-
At the end of the year	1,31,35,000	13,13,50,000	1,31,35,000	13,13,50,000

(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.

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

(c) Shares held by holding company

Adani Ports and Special Economic Zone Limited, the holding company and its nominee

1,31,35,000 equity shares (Previous year 1,31,50,000) of ₹10 each

March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
13,13,50,000	13,13,50,000

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

Details	Particulars	March 31, 2020	March 31, 2019
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	Nos	1,31,35,000	1,31,35,000
	% Holding	100.00%	100.00%

15 Other equity

Share premium (refer note a)
Retained earnings (refer note b)
Opening Balance
Add:- Profit during the year
Add:- Other comprehensive income

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
(A)	39,37,50,000	39,37,50,000
	33,78,69,119	26,40,11,298
	10,69,05,620	7,43,92,041
	(2,59,447)	(5,34,220)
(B)	44,45,15,292	33,78,69,119
(A+B)	83,82,65,292	73,16,19,119

Note :-

a) Securities premium represents the premium received on issue of shares over and above the face value of equity shares. Such amount is available for utilization in accordance with the provisions of the Companies Act, 2013.

b) 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.

16 Borrowings

Non-Current

Inter corporate deposit (Unsecured)

March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
10,00,000	-
10,00,000	-

Current

Current maturity of
Inter Corporate Deposit (refer note (c) below and 43)
Indian rupee loan from bank

Total current borrowing

Less: Amount shown under "other current financial liabilities"

Net current borrowing

-	10,00,000
-	10,00,000
-	20,00,000
-	(20,00,000)
-	-

The above amount includes

Secured borrowings
Unsecured borrowings

Total borrowings

-	10,00,000
10,00,000	10,00,000
10,00,000	20,00,000

Notes:

(a) Term loan of ₹ Nil (March 31, 2019, ₹ 10,00,000/-) is repaid during the current year in equal quarterly instalment. The Tenure of loan was up to 31st March, 2020.

(b) Unsecured loan is taken from Adani Port and Special Economic Zone Limited at 7.5% interest rate & is repayable by July 10, 2022.

17 Other financial liabilities

Non-Current

Deposit from customers
Obligations under lease land

March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
4,71,438	3,13,39,940
4,42,43,175	1,15,14,285
4,47,14,613	4,28,54,225

Current

Current maturities of long term borrowings (refer note 16)
Interest accrued but not due on borrowings
Interest accrued and due on borrowings
Deposits from customers
Capital creditors, retention money and other payable
Obligations under lease land

-	20,00,000
14,00,018	12,08,048
4,27,376	-
2,57,24,728	-
1,14,38,622	1,04,29,928
-	5,79,805
3,89,90,744	1,42,17,781

Notes:

a) Assets taken under finance leases –

The Company has entered into long term land lease agreement for land measuring 14,484 sq. meters. at multi product special economic zone at Mundra with Adani Ports and Special Economic Zone Limited for its electricity distribution facility. The annual lease rent is subject to revision every three years from September 01, 2019 by 20% escalation of the previous amount. The lease rent terms are for the period of 30 years. There is no contingent rent and no restrictions imposed by the lease arrangements. The Company has taken land on finance leases with lease terms of 26 years and 5 months. Future minimum rentals payable under finance leases as at 31 March are as follows:

Particulars	(Amount in ₹)	
	As at March 31, 2020	
	Minimum lease payments	Present value of MLP
Within one year	6,23,074	5,75,588
After one year but not later than five years	28,14,216	21,27,753
More than five years	3,23,97,888	88,10,944
Total minimum lease payables	3,58,35,178	1,15,14,285
Less: Amounts representing finance charges	(2,43,20,893)	
Present value of minimum lease Payables	1,15,14,285	1,15,14,285

18 Net employee defined benefit liabilities

Non-current

Provision for compensated absences

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Provision for compensated absences	21,24,012	19,20,186
	21,24,012	19,20,186

Current

Provision for gratuity (refer note 35)

Provision for compensated absences

Provision for gratuity (refer note 35)	6,50,699	9,19,541
Provision for compensated absences	5,71,492	5,66,897
	12,22,191	14,86,438

19 Other liabilities

Non Current

Deferred revenue - service line contributions from customers

Other liabilities

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Deferred revenue - service line contributions from customers	43,86,51,826	32,61,30,226
Other liabilities	2,089	-
	43,86,53,915	32,61,30,226

Current

Statutory liability

Advance from customers

Statutory liability	1,25,03,799	22,87,448
Advance from customers	5,54,409	7,55,275
	1,30,58,208	30,42,723

20 Trade payables

Total outstanding dues of micro and small enterprises (refer note -36)

Total outstanding dues other than micro and small enterprises

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Total outstanding dues of micro and small enterprises (refer note -36)	-	21,600
Total outstanding dues other than micro and small enterprises	6,69,20,307	8,24,28,983
	6,69,20,307	8,24,50,583

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	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
21 Revenue from operations		
Revenue from power sales	1,75,76,25,881	1,59,83,82,202
Less :- Discount for prompt payment of bills	(10,91,701)	(1,09,28,264)
Other revenue related to Power Business		
Miscellaneous income	1,80,16,969	94,93,638
Amortisations of service line contributions	2,12,98,241	1,84,05,120
Income from common effluent treatment services	54,86,472	66,56,064
	1,80,13,35,862	1,62,20,08,760
22 Other income		
Interest Income from		
Bank	31,99,735	12,62,626
Income tax refund	-	2,70,765
Group company	13,32,436	1,66,439
Others	1,13,69,863	-
Profit on sale of Investment (Mutual fund)	12,84,735	1,13,83,138
Miscellaneous Income	2,04,410	4,21,810
Total other income	1,73,91,179	1,35,04,778
23 Operating expenses		
Power purchase	1,51,87,41,505	1,33,58,00,479
Reactive energy charges	16,60,640	7,17,862
Unscheduled interchange charges	3,62,75,933	6,59,11,668
SLCD charges	2,71,141	1,50,549
	1,55,69,49,219	1,40,25,80,558
24 Employee benefit expense		
Salaries, wages and Bonus	2,40,36,120	2,85,01,073
Contribution to provident and other funds	12,72,539	12,33,646
Gratuity (refer note 35)	5,15,378	3,77,751
Staff welfare expenses	8,26,396	9,17,028
	2,66,50,433	3,10,29,498
25 Finance costs		
Interest on		
Security deposit	15,13,108	12,32,591
Borrowings	29,07,028	2,36,897
Finance charges on lease	22,83,412	-
Others	-	5,77,053
Bank charges and commission	3,90,035	4,92,459
	70,93,583	25,39,000

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26 Other expenses

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Infrastructure usage charges	3,94,60,145	3,60,78,977
Lease rent (refer note 1 below)	-	18,91,560
Insurance (net of reimbursement)	3,668	8,751
Advertisement and publicity	87,842	5,40,453
Repairs & maintenance		
Plant and machinery	59,34,246	40,69,423
Building	-	1,05,819
Others	29,11,544	16,01,998
Contractual Manpower cost	49,76,498	-
Stores, spares and consumables	55,80,869	57,95,235
Legal and professional expenses	73,90,367	58,98,234
Payment to auditors (refer note 2 below)	2,10,000	2,10,000
Security expenses	13,28,435	16,06,851
Communication expenses	1,18,124	3,33,737
Electric power expenses	16,365	4,14,282
Travelling and conveyance	16,27,830	13,18,858
Charity & donations (refer note 3 below)	14,75,000	9,00,000
Miscellaneous expenses	40,99,463	25,61,881
	7,52,20,396	6,33,36,059

Note : 1

Assets taken under Operating Leases –

An infrastructure area and common effluent plant for providing power and effluent treatment facility respectively, have been obtained on operating leases. There are no sub-leases and leases cancellable in nature. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements. Expenses of ₹ Nil (previous year ₹ 18,91,560) incurred under such leases have been expensed in the statement of profit & loss.

Note: 2

Payment to Auditor

As Auditor:

Audit fee
Other Services

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Audit fee	1,50,000	1,50,000
Other Services	60,000	60,000
	2,10,000	2,10,000

Note: 3

Details of CSR Expenses

Gross amount required to be spent by the company during the year

Amount spent during the year ending March 31, 2020

(i) Construction/acquisition of any Asset
(ii) On Purpose other than (i) above

The company has paid ₹ 14.75 lacs (previous year ₹ 9.00 lacs) towards corporate social responsibilities to Adani Foundation.

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Gross amount required to be spent by the company during the year	14,75,000	8,64,098

(i) Construction/acquisition of any Asset	-	-
(ii) On Purpose other than (i) above	14,75,000	9,00,000

27 Income Tax

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

Statement of profit and loss

Current income tax:

Current income tax charge

Deferred tax:

Relating to origination and reversal of temporary differences
Tax (credit) under minimum alternate tax (MAT)

Income tax expenses reported in statement of profit and loss

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Current income tax charge	1,59,46,391	1,83,55,594
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,59,82,671)	1,08,38,001
Tax (credit) under minimum alternate tax (MAT)	(1,13,53,038)	(1,50,20,115)
Income tax expenses reported in statement of profit and loss	(1,13,89,318)	1,41,73,480

(b) 'OCI section

Deferred tax related to items recognised in OCI during the year

Net loss/(gain) on remeasurements of defined benefit plans

March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
(99,998)	(1,96,130)
(99,998)	(1,96,130)

Income tax charged to OCI

(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2020 and March 31, 2019

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Accounting profit before taxation	9,55,16,302	8,85,65,521
Applicable tax rate	27.82%	27.82%
Computed tax expenses	2,65,72,635	2,46,38,928
Deduction under Chapter VI A	(3,00,72,668)	(2,28,72,437)
Reversal during tax holiday period	(83,05,924)	1,22,31,483
Temporary differences on which deferred tax not created	1,41,643	3,32,519
Non-deductible expenses	7,97,530	7,58,053
Others	(5,22,534)	(9,15,067)
Income tax expenses charged to profit and loss	(1,13,89,318)	1,41,73,480

(d) Deferred tax relates to following

Particulars	Balance Sheet		Profit and Loss	
	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Temporary difference in value of Property, Plant and Equipment as per books of accounts and tax	(4,22,69,263)	(4,99,46,011)	(76,76,748)	(27,59,625)
Reversal of 80IA period	2,11,12,714	1,28,06,790	(83,05,924)	1,34,01,496
Income tax effect on re-measurement gains (losses) on defined benefit plans	99,998	-	(99,998)	-
Deferred tax liabilities	(2,10,56,551)	(3,71,39,221)	(1,60,82,670)	1,06,41,871

(e) Reconciliation of deferred tax liabilities

Opening balance as at 1st April

Tax expense during the period recognised in profit and loss

Tax expense during the period recognised in OCI

Closing balance as at 31st March

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Opening balance as at 1st April	(3,71,39,221)	(2,64,97,350)
Tax expense during the period recognised in profit and loss	(1,59,82,671)	1,08,38,001
Tax expense during the period recognised in OCI	(99,998)	(1,96,130)
Closing balance as at 31st March	(2,10,56,552)	(3,71,39,221)

28 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2020 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Amortised Cost
Financial Asset					
Investments	-	13,049	-	-	13,049
Trade receivables	-	-	-	12,07,10,560	12,07,10,560
Cash and Cash Equivalents	-	-	-	6,74,70,800	6,74,70,800
Other Bank balance	-	-	-	1,00,36,396	1,00,36,396
Loans	-	-	-	25,00,00,000	25,00,00,000
Others financial assets	-	-	-	1,88,47,755	1,88,47,755
	-	13,049	-	46,70,65,511	46,70,78,561
Financial Liabilities					
Borrowings	-	-	-	10,00,000	10,00,000
Trade payables	-	-	-	6,69,20,307	6,69,20,307
Other financial liabilities	-	-	-	8,37,05,356	8,37,05,356
	-	-	-	15,16,25,664	15,16,25,664

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

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Amortised Cost
Financial Asset					
Investments	-	12,304	-	-	12,304
Trade receivables	-	-	-	16,19,43,900	16,19,43,900
Cash and Cash Equivalents	-	-	-	64,23,428	64,23,428
Other Bank balance	-	-	-	8,10,00,000	8,10,00,000
Loans	-	-	-	1,40,00,000	1,40,00,000
Others financial assets	-	-	-	13,22,977	13,22,977
	-	12,304	-	26,46,90,305	26,47,02,609
Financial Liabilities					
Borrowings	-	-	-	20,00,000	20,00,000
Trade payables	-	-	-	8,24,50,583	8,24,50,583
Other financial liabilities	-	-	-	5,50,72,006	5,50,72,006
	-	-	-	13,95,22,589	13,95,22,589

c) 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.

29 Fair Value hierarchy :

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Level 3
Assets				
Investment (Unquoted Mutual Fund)	-	13,049	-	-
Total	-	13,049	-	-

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Level 3
Assets				
Investment (Unquoted Mutual Fund)	-	12,304	-	-
Total	-	12,304	-	-

30 Financial risk objective and policies

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

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk) collectively referred as market risk, credit risk, liquidity risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of 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.

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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis 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, 2019.

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 paragraph 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 ₹ 5,000/- (previous year ₹ 5,000/-). This is mainly attributable to interest rates on variable rate long term borrowings.

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.

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 minimize 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 provides transmission and distribution of electricity services at SEZ area located at Mundra, the Company is significantly depend on transmission and distribution lines provided to customers. Out of total revenue, the Company earns of ₹ 132,80,59,228 from top six customers during the year ended March 31, 2020 which constitute 73.92%. 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 assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Maturities of financial liability

The table below analysis the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2020							(Amount in ₹)
Particulars	Refer Note	On Demand	Within 1 year	Over 1 year within 5 years	Over 5 years	Total	
Borrowings	16	-	-	10,00,000	-	10,00,000	
Other financial liabilities	17	-	3,89,90,744	-	4,47,14,613	8,37,05,357	
Trade payables	20	-	6,69,20,307	-	-	6,69,20,307	
		-	10,59,11,051	10,00,000	4,47,14,613	15,16,25,664	
As at March 31, 2019							(Amount in ₹)
Particulars	Refer Note	On Demand	Within 1 year	Over 1 year within 5 years	Over 5 years	Total	
Borrowings	16	-	20,00,000	-	-	20,00,000	
Other financial liabilities	17	-	1,22,24,392	3,40,43,281	88,04,333	5,50,72,006	
Trade payables	20	-	8,24,50,583	-	-	8,24,50,583	
		-	9,66,74,975	3,40,43,281	88,04,333	13,95,22,588	

31 Earnings per share

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Profit attributable to equity shareholders of the company	10,69,05,620	7,43,92,041
Weighted average number of equity shares	1,31,35,000	1,31,35,000
Face value per share (in ₹)	10	10
Basic and Diluted earning per share (in ₹)	8.14	5.66

32 Capital commitments

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	66,54,767	3,52,36,835

33 Contingent liabilities not provided for

Particulars	March 31, 2020	March 31, 2019
The company has received intimation order u/s 143(1) disallowing claims of expenditure of INR 1,29,210. Consequently, interest u/s 234B and 234C is increased and refund amount is reduced to that extent. against which company has preferred appeal before CIT(A).	40,146.00	Nil

34 Segment information

The Company is primarily engaged in the business of providing facility of distribution of electricity, effluent & sewage facilities. The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic segment.

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

35 Disclosures as required by Ind AS - 19 Employee Benefits

The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 8,74,822/- (Previous year ₹ 11,08,101/-) as expenses under the following defined contribution plan.

The company has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in form of a qualifying insurance policy.

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

Gratuity

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

Particulars	March 31, 2020	March 31, 2019
Present value of the defined benefit obligation at the beginning of the year	36,37,087	23,56,679
Current service cost	4,70,392	3,92,448
Interest cost	2,51,958	1,81,804
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	38,972	(1,01,682)
- change in financial assumptions	3,08,519	6,52,748
- experience variance	11,954	1,79,284
Benefits paid	(4,30,081)	-
Acquisition adjustment	(3,28,888)	(24,194)
Present value of the defined benefit obligation at the end of the year	39,59,913	36,37,087

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

Particulars	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the year	27,17,546	25,21,045
Investment income	2,06,973	1,96,501
Contributions by employer	3,84,695	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Acquisition adjustment	-	-
Fair value of plan assets at the end of the year	33,09,214	27,17,546

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

Contribution to	March 31, 2020	March 31, 2019
Present value of the defined benefit obligation at the end of the year	39,59,913	36,37,087
Fair value of plan assets at the end of the year	33,09,214	27,17,546
Amount recognised in the balance sheet	(6,50,699)	(9,19,541)
Net (liability)/asset - Current	-	(9,19,541)
Net (liability)/asset - Non-current	(6,50,699)	-

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

Particulars	March 31, 2020	March 31, 2019
Current service cost	4,70,392	3,92,448
Interest cost on benefit obligation	44,985	(14,697)
Total Expense included in employee benefits expense	5,15,377	3,77,751

e) Recognised in the other comprehensive income for the year

Particulars	March 31, 2020	March 31, 2019
Actuarial (gain)/losses arising from		
- change in demographic assumptions	38,972	(1,01,682.00)
- change in financial assumptions	3,08,519	6,52,748
- experience variance	11,954	1,79,284
Return on plan assets, excluding amount recognised in net interest expense	-	-
Recognised in comprehensive income	3,59,445	7,30,350

f) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2020	March 31, 2019
Weighted average duration (based on discounted cash flows)	10 Years	10 Years

g) Quantitative sensitivity analysis for significant assumption is as below

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

Particulars	March 31, 2020		March 31, 2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Assumptions	Discount rate			
Sensitivity level	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
Impact on defined benefit obligations	(3,69,073)	4,29,516	(3,13,615)	3,63,079

Particulars	March 31, 2020		March 31, 2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Assumptions	Salary Growth rate			
Sensitivity level	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
Impact on defined benefit obligations	4,19,792	(3,68,113)	3,58,063	(3,15,250)

Particulars	March 31, 2020		March 31, 2019	
	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Assumptions	Attrition rate			
Sensitivity level	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
Impact on defined benefit obligations	(1,09,821)	1,57,925	(36,880)	53,628

Particulars	March 31, 2020		March 31, 2019	
	0.1% Increase	0.1% Decrease	0.1% Increase	0.1% Decrease
Assumptions	Mortality rate			
Sensitivity level	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
Impact on defined benefit obligations	(942)	946	(247)	247

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.

h) 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%

The company expects to contribute ₹ 11,85,642/- to gratuity fund in the next year. (Previous year ₹ 13,82,749/-)

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

i) 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	Indian Assured Live Mortality 2012-14	Indian Assured Live 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.

j) The expected cash flows of defined benefit obligation over the future periods (valued on undiscounted basis)

Particulars	(Amount in ₹)	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	2,50,905	2,91,078
Between 2 and 5 years	10,59,895	11,93,051
Between 6 and 10 years	19,47,842	19,32,046
Beyond 10 years	55,62,082	52,48,292
Total Expected Payments	88,20,724	86,64,467

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

Particulars	(Amount in ₹)	
	Year ended March 31, 2020	Year ended March 31, 2019
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	Nil	21,600/-
Interest	Nil	Nil
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
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
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
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

37 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	(Amount in ₹)	
		As at March 31, 2020	As at March 31, 2019
Total borrowings	16	10,00,000	20,00,000
Less: Cash and cash equivalents	11	6,74,70,800	64,23,428
Net Debt (A)		(6,64,70,800)	(44,23,428)
Total Equity (B)	14 & 15	96,96,15,292	86,29,69,119
Total Equity and Net Debt (C = A + B)		90,31,44,491	85,85,45,691
Gearing ratio		-7.36%	-0.52%

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

38 The company is engaged in the business of distribution of power. Quantitative information in respect of purchase and sale of power are as under.

Particulars	2019-20 (Unit in Mus)	2018-19 (Unit in Mus)
Unit Purchased - Schedule	270.02	278.89
Unit Purchased - Wind	50.36	-
Unscheduled interchange (UI)	21.10	31.45
Total Units Purchased	341.48	310.34
Unit Sold	327.16	299.61
Transmission & Distribution Losses	14.32	10.73
Transmission & Distribution Losses (%)	4.19%	3.46%

39 "As per directives of Gujarat Electricity Regulatory Commission with respect to Renewable Purchase Obligation (RPO) to be adhered by the company during the current financial year, during the year 2019-20, company has made a provision for the RPO obligation of INR 93,16,087/-. The cost of such obligation is included in Cost of Power Purchased in Note - 24.

40 Details of Income & Expenses for the Common Effluent Treatment (CETP) Service rendered during the year are as under

Particulars	For the year ended March 31, 2020 (Amount in ₹)	For the year ended March 31, 2019 (Amount in ₹)
Income	54,86,472	66,61,423
Expenses		
Employee benefits expenses	8,94,942	10,60,465
Electricity Expense	8,79,087	8,66,844
Other Expense	35,14,094	40,47,192
Total Expenditure	1,98,349	6,86,923

41 Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended)

(Amount in ₹)

Particulars of Liabilities arising from Financing activity	Note No.	As at March 31, 2019	Cash flows	Non Cash Changes		As at March 31, 2020
				Effect due to changes in foreign exchange rates	Other changes	
Long term borrowing - Rupee term loan	16	10,00,000	(10,00,000)	-	-	-
Long term borrowing - Inter Corporate Deposits	16	10,00,000	-	-	-	10,00,000
Interest accrued but not due	17	12,08,048	(46,18,201)	-	48,10,171	14,00,018
Total		32,08,048	(56,18,201)	-	48,10,171	24,00,018

42 (a) 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.

(b) The company is in the process of appointing a full time Company Secretary as required under provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the secretarial work of the company is being managed by Company Secretary of parent Company.

43 Related Parties transactions for the year ended March 31, 2020

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

Holding company	Adani Ports and Special Economic Zone Limited
Fellow subsidiary	Mundra SEZ Textile and Apparel Park Private Limited
Entities and venturers over which shareholders of the company are able to exercise significant influence through voting power	Adani Mundra SEZ Infrastructure Private Limited
Entities over which key management personnel, directors and their relatives are able to exercise significant influence	Adani Foundation
	Adani Skill Development Centre Private Limited
Key Management personnel	Mr. Avinash Rai , Director
	Mr. Jai Singh Khurana, Director
	Mr. Paresb Patel, Company Secretary (Upto May 01, 2019)
	Mr. Pritpal Singh, Director (Upto April 04, 2019)
	Mr, Ennarasu Karunesan (Upto July 30, 2019)
	Capt. BVJK Sharma, Managing Director
	Mr, Avinash Patel, Chief Financial officer
	Mr. Manoj Chanuka, Chief Financial Officer (Upto Janaury 31, 2020)

Detail of Related Party Transactions for the year ended March 31, 2020

(Amount in ₹)

Category	Name of Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
Rendering of Services(Including reimbursement)	Mundra SEZ Textile and Apparel Park Private Limited	1,74,785	1,25,397
Services Availed (incl reimb of expenses)	Adani Ports and Special Economic Zone Limited	1,59,360	1,79,612
	Mundra SEZ Textile and Apparel Park Private Limited	3,40,031	3,61,560
Interest Expense	Adani Ports and Special Economic Zone Limited	28,36,849	68,219
Interest income	Adani Skill Development Centre Private Limited	13,32,436	1,66,439
Donation	Adani Foundation	14,75,000	9,00,000
Loan taken	Adani Ports and Special Economic Zone Limited	8,00,00,000	7,18,00,000
Loan Repaid	Adani Ports and Special Economic Zone Limited	8,00,00,000	7,08,00,000
Loan received back	Adani Skill Development Centre Private Limited	1,50,00,000	-
Loan Given	Adani Skill Development Centre Private Limited	10,00,000	1,40,00,000

Closing Balances

(Amount in ₹)

Catogory	Name of the Related Party	As at March 31, 2020	As at March 31, 2019
Loans and Advances	Adani Ports and Special Economic Zone Limited	67,230	67,230
	Adani Skill Development Centre Private Limited	-	1,40,00,000
Trade Payables	Mundra SEZ Textile and Apparel Park Private Limited	73,014	1,03,189
	Adani Ports and Special Economic Zone Limited	-	13,425
Capital Advances	Adani Mundra SEZ Infrastructure Private Limited	13,80,00,000	13,80,00,000
Inter Corporate Deposit (taken)	Adani Ports and Special Economic Zone Limited	10,00,000	10,00,000

Note :-

Public utilities as covered under Ind AS - 24 "Related Party Disclosures", are not related parties. Hence transactions and outstanding balances related with power business , have not been reported as related party transactions.

- 44** In the last week of March 2020, an outbreak situation arose in India on account of COVID-2019. The Company has considered such outbreak situation as subsequent event to the Balance Sheet date i.e., March 31, 2020 in terms of Ind AS 10 "Reporting on Event After Balance Sheet Date" and has assessed the operational and financial risk on going forward basis.

In assessing the impact on the recoverability of financial and non-financial assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts whereby it expects to recover the carrying amounts of the assets. The Company has performed sensitivity analysis on the assumptions used on assessing the impact on the Company's operations. On overall basis, the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

The impact on the operations and earnings/ cash flows of the Company due to COVID- 2019 outbreak may be different from that estimated as at date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

45 Approval of financial statements

The financial statements were approved for issue by the board of directors on April 21, 2020 .

The accompanying notes form an integral part of financials statements

As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors of

SANDIP A. PARIKH
Partner
Membership No. 040727

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Place: Ahmedabad
Date: April 21, 2020

Avinash Patel
Chief Financial Officer
Place: Mundra

Date: April 21, 2020