Adani Hazira Port Limited

Financial Statements - FY - 2020-21

INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Hazira Port Limited (Formerly known as Adani Hazira Port Private Limited)
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Adani Hazira Port Limited (Formerly known as Adani Hazira Port Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 6 (ii) to the standalone financial statements regarding the management's assessment of its outstanding loans aggregating ₹ 20,007.60 lacs (including interest accrued ₹ 7.60 lacs) in Adani Kandla Bulk Terminal Private Limited ("AKBTPL"), as at March 31, 2021, a fellow subsidiary of the Company, being considered recoverable based on the various judgements and estimates related to cargo traffic, port tariffs, inflation, discount rates, implications expected to arise from COVID-19 pandemic, and operational benefits over the balance concession period to determine the cashflows for AKBTPL. Accordingly, for the reasons stated in the said Note, no provision towards impairment of carrying values of the aforesaid loans is considered necessary at this stage.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Directors’ Report and Annexures thereof, but does not include the standalone financial statements and our auditor’s report thereon.

- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income , cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity, dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   A. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 21106189AAAAEF5386)

Place: Ahmedabad
Date: May 03, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF ADANI HAZIRA PORT LIMITED (Formerly known as ADANI HAZIRA PORT PRIVATE LIMITED)

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Adani Hazira Port Limited (Formerly known as Adani Hazira Port Private Limited) ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 21106189AAAAEF5386)

Place: Ahmedabad
Date: May 03, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF ADANI HAZIRA PORT LIMITED (Formerly known as ADANI HAZIRA PORT PRIVATE LIMITED) (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of Property Plant and Equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.

(b) Some of the Property Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property Plant and Equipment at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as Right of Use Assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

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

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, to the extent applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.

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

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it, to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount Involved (Rs. In Lacs)**	**Amount Unpaid (Rs. In Lacs)**
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2014-15	3.35	3.35
		Assistant Commissioner of Income Tax, Ahmedabad	AY 2017-18	9.64	9.64
		Commissioner of Income Tax (Appeals)	AY 2018-19	3.91	3.91
		Commissioner of Income Tax (Appeals)	AY 2019-20	986.12	986.12

There are no dues of Goods and Service Tax, Sales Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, as at reporting date, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and the government, and has not issued any debentures during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans, and hence reporting under clause (ix) of Paragraph 3 of the Order is not required.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not required.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause (xiii) of Paragraph 3 of the Order in so far as it relates to Section 177 of the Act is not applicable.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 21106189AAAAEF5386)

Place: Ahmedabad
Date: May 03, 2021

Adani Hazira Port Limited (Formerly known as "Adani Hazira Port Private Limited")
Balance Sheet as at March 31, 2021

₹ in Lacs

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-Current Assets			
Property, Plant and Equipment	3	265,939.81	260,107.02
Right of use Assets	3	1,460.53	1,557.90
Capital Work-in-Progress		30,405.59	38,145.52
Other Intangible Assets	3	1,615.30	1,776.39
Financial Assets			
(i) Investments	4	2,420.00	2,420.00
(ii) Loans	6	86,926.10	64,500.00
(iii) Other Financial Assets	7	31,667.30	19,692.55
Deferred Tax Assets (net)	25	18,159.52	6,224.14
Other Non-Current Assets	8	15,129.59	13,993.24
		453,723.74	**408,416.76**
Current Assets			
Inventories	9	2,451.93	2,633.25
Financial Assets			
(i) Trade Receivables	5	8,073.53	15,573.79
(ii) Cash and Cash Equivalents	10	44,198.37	85,601.12
(iii) Bank Balance other than (ii) above	10	0.20	-
(iv) Loans	6	58,482.87	800.00
(v) Other Financial Assets	7	7,000.05	5,043.97
Other Current Assets	8	882.96	1,723.69
		121,089.91	**111,375.82**
Total Assets		**574,813.65**	**519,792.58**
Equity and Liabilities			
Equity			
Equity Share Capital	11	71,547.00	71,547.00
Other Equity	12	283,925.05	203,665.54
Total Equity		**355,472.05**	**275,212.54**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	13	175,000.00	203,500.00
(ii) Other Financial Liabilities	14	1,755.93	1,660.75
Provisions	18	108.25	-
Other Non-Current Liabilities	15	3,980.61	4,433.57
		180,844.79	**209,594.32**
Current Liabilities			
Financial Liabilities			
(i) Trade and Other Payables	16		
- total outstanding dues of micro enterprises and small enterprises		99.01	-
- total outstanding dues of creditors other than micro enterprises		4,133.22	3,381.76
(ii) Other Financial Liabilities	14	27,868.67	27,217.23
Other Current Liabilities	15	6,102.42	3,841.29
Provisions	18	293.49	330.59
Current Tax Liabilities (net)	17	-	214.85
		38,496.81	**34,985.72**
Total Liabilities		**219,341.60**	**244,580.04**
Total Equity and Liabilities		**574,813.65**	**519,792.58**

The accompanying notes form an integral part of financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 03, 2021

For and on behalf of Board of Directors

Pranav Choudhary
[Director]
DIN: 008123475
Place: Hazira

Subrat Tripathy
[Director]
DIN: 06890393
Place: Ahmedabad

Manoj Chanduka
[Company Secretary]
Place: Ahmedabad

Rakesh Shah
[Chief Financial Officer]
Place: Hazira

Date: May 03, 2021

Adani Hazira Port Limited (Formerly known as "Adani Hazira Port Private Limited")
Statement of Profit and Loss for the year ended March 31, 2021

₹ in Lacs

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from Operations	19	128,728.05	127,351.98
Other Income	20	17,915.30	15,257.53
Total Income		**146,643.35**	**142,609.51**
Expenses			
Operating Expenses	21	23,551.48	24,438.50
Employee Benefits Expense	22	3,799.93	3,710.40
Finance Costs	23		
(i) Interest and Bank Charges		14,502.80	17,090.62
(ii) Derivative (Gain) (net)		-	(1,275.15)
Depreciation and Amortization Expense	3	17,887.41	17,014.36
Foreign Exchange Loss (net)		(38.01)	63.88
Other Expenses	24	4,187.13	3,887.09
Total Expenses		**63,890.74**	**64,929.70**
Profit Before Tax		**82,752.61**	**77,679.81**
Tax Expense:	25		
Current Tax		14,445.55	13,571.01
Deferred Tax		(11,935.39)	(5,281.99)
Total Tax Expense		**2,510.16**	**8,289.02**
Profit for the year	(A)	**80,242.45**	**69,390.79**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement loss on defined benefit plans		17.06	(46.00)
Total Other Comprehensive Income (net of tax)	(B)	**17.06**	**(46.00)**
Total Comprehensive Income for the year (net of tax)	(A+B)	**80,259.51**	**69,344.79**
Earnings per Share - (Face value of ₹ 10 each) Basic and Diluted (in ₹)	27	**11.22**	**9.70**

The accompanying notes form an integral part of financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 03, 2021

For and on behalf of Board of Directors

Pranav Choudhary
[Director]
DIN: 008123475
Place: Hazira

Subrat Tripathy
[Director]
DIN: 06890393
Place: Ahmedabad

Manoj Chanduka
[Company Secretary]
Place: Ahmedabad

Rakesh Shah
[Chief Financial Officer]
Place: Hazira

Date: May 03, 2021

Adani Hazira Port Limited (Formerly known as "Adani Hazira Port Private Limited")
Statement of Changes in Equity for the year ended March 31, 2021

₹ in Lacs

Particulars	Equity Share Capital	Other Equity Reserves and Surplus Retained Earning	Total
Balance as on April 01, 2019	**71,547.00**	**134,320.75**	**205,867.75**
Profit for the year (A)	-	69,390.79	69,390.79
Other Comprehensive Income			
Re-measurement gains on defined benefit plans (net of tax)(B)	-	(46.00)	(46.00)
Total Comprehensive Income for the year (A+B)	**-**	**69,344.79**	**69,344.79**
Balance as at March 31, 2020	**71,547.00**	**203,665.54**	**275,212.54**
Profit for the year (A)	-	80,242.45	80,242.45
Other Comprehensive Income			
Re-measurement gains on defined benefit plans (net of tax)(B)	-	17.06	17.06
Total Comprehensive Income for the year (A+B)	**-**	**80,259.51**	**80,259.51**
Balance as at March 31, 2021	**71,547.00**	**283,925.05**	**355,472.05**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 03, 2021

For and on behalf of Board of Directors

Pranav Choudhary
[Director]
DIN: 008123475
Place: Hazira

Subrat Tripathy
[Director]
DIN: 06890393
Place: Ahmedabad

Manoj Chanduka
[Company Secretary]
Place: Ahmedabad

Rakesh Shah
[Chief Financial Officer]
Place: Hazira

Date: May 03, 2021

Adani Hazira Port Limited (Formerly known as "Adani Hazira Port Private Limited")
Statement of Cash Flows for the year ended March 31, 2021

₹ in Lacs

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A)	**Cash Flows from Operating Activities**		
	Net profit before Tax	82,752.61	77,679.81
	Adjustments for:		
	Unclaimed Liabilities/Excess Provision Written Back	(2.46)	-
	Depreciation and Amortisation Expense	17,887.41	17,014.36
	Interest Income	(16,882.99)	(13,746.93)
	Net gain on sale of Current Investment	(27.76)	(577.87)
	Effect of exchange rate change	(37.72)	44.30
	Interest Expense	14,502.80	17,090.62
	Derivative (Gain)	-	(1,275.15)
	Allowances for doubtful debts	(53.05)	(27.40)
	Amortisation of Government Grant	(452.96)	(454.20)
	Loss on Sale / Discard of Property, Plant and Equipment (net)	140.16	32.14
	Operating Profit before Working Capital Changes	**97,826.04**	**95,779.68**
	Adjustment for :		
	Decrease/(Increase) in Trade Receivables	7,553.31	(5,696.04)
	Decrease in Inventories	181.32	392.23
	(Increase)/Decrease in Financial Assets	(11,999.97)	31,988.16
	Decrease in Other Assets	850.04	3,110.52
	Increase/(Decrease) in Trade Payables	890.65	(975.62)
	Increase in Other Liabilities	2,349.35	540.67
	(Decrease)/Increase in Financial Liabilities	(1,601.03)	694.63
	Cash generated from Operations	**96,049.71**	**125,834.23**
	Direct Taxes paid (Net of Refunds)	(15,056.76)	(9,804.23)
	Net Cash generated from Operating Activities	**80,992.95**	**116,030.00**
(B)	**Cash Flows from Investing Activities**		
	Purchase of Property, Plant and Equipments (Including capital work In progress and capital advances)	(19,137.25)	(24,979.65)
	Proceeds from Sale of Property, Plant and Equipment	48.47	52.75
	Loan given	(525,426.11)	(284,800.00)
	Loan received back	445,317.14	219,500.00
	Sale of investment in Mutual Fund (net)	27.76	577.87
	Interest Received	14,951.93	7,112.95
	Proceeds from/(Deposits in) Fixed Deposits (net) including Margin Money Deposits	-	30,010.61
	Net Cash used in Investing Activities	**(84,218.06)**	**(52,525.47)**
(C)	**Cash Flows from Financing Activities**		
	Proceeds from Long-Term Borrowing	15,533.00	191,200.00
	Repayment of Long-Term Borrowings	(29,033.00)	(164,800.00)
	Repayment of lease liabilities	(25.87)	(20.04)
	Loss on Derivative Contracts	-	(93.05)
	Interest & Finance Charges Paid	(24,651.77)	(6,853.61)
	Net Cash generated from/ (used in) Financing Activities	**(38,177.64)**	**19,433.30**
	Net Increase in Cash & Cash Equivalents (A + B + C)	(41,402.75)	82,937.83
	Cash and Cash Equivalents at the beginning of the year (Refer note-10)	**85,601.12**	**2,663.29**
	Cash and Cash Equivalents at the end of the year (Refer note-10)	**44,198.37**	**85,601.12**
	Component of Cash and Cash equivalents		
	Cash on Hand	4.41	7.83
	Balances with Scheduled Banks		
	- In Current Accounts	44,193.96	85,593.29
	- In Fixed Deposit Accounts	-	-

(1) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Statement of cash flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
(2) Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 – Statement of Cash flows is presented under note 14(a).

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 03, 2021

For and on behalf of Board of Directors

Pranav Choudhary
[Director]
DIN: 008123475
Place: Hazira

Subrat Tripathy
[Director]
DIN: 06890393
Place: Ahmedabad

Manoj Chanduka
[Company Secretary]
Place: Ahmedabad

Rakesh Shah
[Chief Financial Office
Place: Hazira

Date: May 03, 2021

Adani Hazira Port Limited (Formerly known as "Adani Hazira Port Private Limited")
Notes to Financial statements for the year ended March 31, 2021
Note 3(a) - Property, plant and equipment

₹ in Lacs

Particulars	Tangible Assets											
	Freehold Land	Building	Computer Hardware	Leasehold Land Development	Office Equipments	Plant & Machinery	Furniture & Fixtures	Vehicles	Dredged Channels	Marine Structures	Tugs and Boats	Total
Cost												
As at April 1, 2019	**1,000.11**	**46,636.58**	**1,451.67**	**4,056.70**	**1,485.05**	**168,124.85**	**623.23**	**484.90**	**45,396.70**	**61,523.02**	**684.77**	**331,467.58**
Additions	17.38	1,372.38	137.88	-	156.77	3,600.46	9.82	38.80	-	873.40	-	**6,206.89**
Deductions/Adjustment	-	(1.43)	(5.75)	-	(24.15)	(92.65)	(16.24)	(14.68)	-	-	-	**(154.90)**
As at April 1, 2020	**1,017.49**	**48,007.53**	**1,583.80**	**4,056.70**	**1,617.67**	**171,632.66**	**616.81**	**509.02**	**45,396.70**	**62,396.42**	**684.77**	**337,519.57**
Additions	-	2,517.34	133.56	-	168.08	19,473.84	10.39	37.96	-	1,155.49	-	**23,496.66**
Deductions/Adjustment	-	(235.09)	(61.90)	-	(507.96)	(102.13)	(29.05)	(18.23)	-	(9.45)	-	**(963.81)**
As at March 31, 2021	**1,017.49**	**50,289.78**	**1,655.46**	**4,056.70**	**1,277.79**	**191,004.37**	**598.15**	**528.75**	**45,396.70**	**63,542.46**	**684.77**	**360,052.42**
Depreciation/amortisation												
As at April 1, 2019	**-**	**7,821.10**	**1,016.64**	**757.84**	**1,051.54**	**39,698.98**	**255.41**	**243.58**	**3,926.26**	**5,788.95**	**184.10**	**60,744.40**
Depreciation for the year	-	2,200.95	229.65	194.86	221.09	11,059.05	66.92	72.42	1,051.08	1,596.24	45.90	**16,738.16**
Deductions/Adjustment	-	(0.08)	(5.66)	-	(23.33)	(20.83)	(9.84)	(10.27)	-	-	-	**(70.01)**
As at April 1, 2020	**-**	**10,021.97**	**1,240.63**	**952.70**	**1,249.30**	**50,737.20**	**312.49**	**305.73**	**4,977.34**	**7,385.19**	**230.00**	**77,412.55**
Depreciation for the year	-	2,225.72	217.90	194.86	140.26	11,947.48	67.77	60.58	1,050.75	1,654.10	45.90	**17,605.32**
Deductions/Adjustment	-	(235.09)	(61.90)	-	(507.94)	(46.49)	(29.05)	(15.34)	-	(9.45)	-	**(905.26)**
As at March 31, 2021	**-**	**12,012.60**	**1,396.63**	**1,147.56**	**881.62**	**62,638.19**	**351.21**	**350.97**	**6,028.09**	**9,029.84**	**275.90**	**94,112.61**
Net Block												
As at March 31, 2021	**1,017.49**	**38,277.18**	**258.83**	**2,909.14**	**396.17**	**128,366.18**	**246.94**	**177.78**	**39,368.61**	**54,512.62**	**408.87**	**265,939.81**
As at March 31, 2020	1,017.49	37,985.56	343.17	3,104.00	368.37	120,895.46	304.32	203.29	40,419.36	55,011.23	454.77	260,107.02

1. Plant & Machinery includes costs of ₹ 588.23 lacs (March 31, 2020 : ₹ 588.23 lacs) and accumulated depreciation of ₹ 343.65 lacs (March 31, 2020 : ₹ 287.29 lacs) for setting up of 66 KVA Infrastructure facilities to enable power connection to the port facilities.
2. The Company had reclaimed total 230 hectares of land for its port activities. The Company had developed this land area through dredging activities and an amount of ₹ 1,768.33 lacs (March 31, 2020 : ₹ 1,768.33 lacs) is capitalized as Leasehold Land Development.
3. Plant and machinery includes construction equipments of Gross value of ₹ 5.47 lacs (March 31, 2020 : ₹ 5.47 lacs) and accumulated depreciation of ₹ 2.80 lacs (March 31, 2020 : ₹ 2.33 lacs), which are mainly used for construction activities.
4. Plant and machinery includes Electrical Installation of ₹ 12,271.83 lacs (March 31, 2020 : ₹ 12,271.83 lacs) and accumulated depreciation of ₹ 7,712.23 lacs (March 31, 2020 : ₹ 6,396.45 lacs).
5. Plant and machinery includes Tanks for storage of Liquid Cargo of Gross value of ₹ 806.71 lacs (March 31, 2020 : ₹ 806.71 lacs) and accumulated depreciation of ₹ 243.98 lacs (March 31, 2020 : ₹ 203.31 lacs), which are given on Operating Lease.
6. Refer footnote to note 13 for security / charges created on property, plant and equipment.

Adani Hazira Port Limited (Formerly known as "Adani Hazira Port Private Limited")
Notes to Financial statements for the year ended March 31, 2021

Note 3(b) - Intangible Assets ₹ in Lacs

Particulars	Intangible assets		
	Software	Port Infrastructure Right	Total
Cost			
As at April 1, 2019	**465.60**	**2,107.30**	**2,572.90**
Additions	135.30	-	135.30
As at April 1, 2020	**600.90**	**2,107.30**	**2,708.20**
Additions	23.63	-	23.63
As at March 31, 2021	**624.53**	**2,107.30**	**2,731.83**
Depreciation/amortisation			
As at April 1, 2019	**331.63**	**421.35**	**752.98**
Depreciation for the year	73.50	105.33	178.83
As at April 1, 2020	**405.13**	**526.68**	**931.81**
Depreciation for the year	79.38	105.34	184.72
As at March 31, 2021	**484.51**	**632.02**	**1,116.53**
Net Block			
As at March 31, 2021	**140.02**	**1,475.28**	**1,615.30**
As at March 31, 2020	195.77	1,580.62	1,776.39

Note 3(c) - Right of Use assets

₹ in Lacs

Particulars	Land	Total
Recognition on Intial application of Ind As 116 as at April 01, 2019	**1,655.27**	**1,655.27**
Additions	-	-
Deductions/(Adjustment)	-	-
As at April 1, 2020	**1,655.27**	**1,655.27**
Additions	-	-
As at March 31, 2021	**1,655.27**	**1,655.27**
Accumulated Depreciation		
Depreciation for the year	97.37	**97.37**
Deductions/(Adjustment)	-	-
As at April 1, 2020	**97.37**	**97.37**
Depreciation for the year	97.37	97.37
Deductions/(Adjustment)	-	-
As at March 31, 2021	**194.74**	**194.74**
Net Block		
As at March 31, 2021	**1,460.53**	**1,460.53**
As at March 31, 2020	1,557.90	1,557.90

1 Corporate information

The financial statements comprise financial statements of Adani Hazira Port Limited (Formerly known as "Adani Hazira Port Private Limited") (the "Company, AHPL") for the year ended March 31, 2021. The Company was incorporated on December 7, 2009 as a 100% subsidiary of Adani Ports & Special Economic Zone Limited. The Company has developed/developing Bulk / General Cargo Terminal(s) and associated infrastructure facilities at Hazira in terms of Bulk / General Cargo Terminal Agreement (BGCTA or Sub-concession) dated November 25, 2010 entered between Hazira Port Private Limited (Licensor), the Company (Licensee) and Gujarat Maritime Board (GMB). The Sub-concession agreement is as per the concession agreement between the licensor, GMB and Government of Gujarat (GoG) on April 22, 2002 for development and construction of port facilities at Hazira in the phased manner. The Port facilities are being developed under design, construct, own, maintain and operate basis under the Sub-Concession Agreement, which would be effective over the balance term of the Concession agreement of 30 years from March, 2005.

The commercial operation of the port facilities commenced from February, 2013 although company continue to expand the port infrastructure.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 03, 2021.

2 Basis of preparation

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

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 the accounting policy hitherto in use.

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

-Derivative financial instruments,

-Defined Benefit Plans – Plan Assets measured at fair value; and

-Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

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 the accounting policy hitherto in use.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Foreign Currency Translation

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

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

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

c) Fair value measurement

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

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

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value and for non recurring fair value measurement, such as an assets under the scheme of business undertaking.

External valuers are involved for valuation of significant assets, such as business undertaking for transfer under the scheme and unquoted financial assets and financial liabilities, 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 Management , in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
- Financial instruments (including those carried at amortised cost) (refer note 26.1)

d) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Port Operation Services

Revenue from port operation services including cargo handling, storage, rail infrastructure and other ancillary port services are recognized in the accounting period in which the services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services.

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

Revenue on take-or-pay charges are recognized for the quantity that is the difference between annual agreed tonnage and actual quantity of cargo handled. The amount recognized as revenue is exclusive of goods & service tax where applicable.

Income in the nature of license fees / waterfront royalty and revenue share is recognized in accordance with terms and conditions of relevant service agreement with customers/ sub concessionaire.

Income from SEIS

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

Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

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 other income in the statement of profit and loss.

e) Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.
Waterfront royalty on cargo under the concession agreement is paid at concessional rate in terms of rate prescribed by Gujarat Maritime Board (GMB) and notified in official gazette of Government of Gujarat, wherever applicable.

f) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax (including Minimum Alternate Tax (MAT)) is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

The Company is eligible to avail benefits under section 80IA of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2017-18. In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has to be recognize in respect of temporary difference, which will reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

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

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

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

The Company recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit as an asset only to the extent that there is sufficient taxable temporary difference /convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent 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.

g) Property, plant and equipment (PPE)

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

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

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

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

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

Assets	Estimated Useful Life
Leasehold Land Development	Over the balance period of Sub Concession Agreement effective from 25th November, 2010 entered with Gujarat Maritime Board and Hazira Port Private Limited.
Marine Structure, Dredged Channel, Building RCC	50 Years as per Sub-concession agreement
Fender, Buoy installed at Jetty - Marine Structures	5 - 10 Years
Bridges, Drains & Culverts	25 Years as per Sub-concession agreement
Carpeted Roads Non Carpeted Roads	10 Years 3 Years
Tugs - Other than outfitting items Tug - Outfitting items	20 Years as per Sub-concession agreement 15 Years
RMQC Crane Dredger - Still Hull , Machinery Dredger - Outfitting & Dredging equipments Liquid Terminal Pipeline & Tanks	20 Years 17 Years 10-12 Years 20 Years

At the end of the sub-concession agreement, all contracted immovable and movable assets shall be transferred to and shall vest in Gujarat Maritime Board ('GMB') for consideration equivalent to the Depreciated Replacement Value (the 'DRV'). Currently DRV is not determinable, accordingly, residual value of contract asset is considered to be the carrying value , based on useful life as per schedule II of the Companies Act,2013 estimated by the management at the end of Sub-concession period.

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.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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

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

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

Intangible assets	Method of Amortisation	Estimated Useful Life
Software	On Straight line basis	5 Years or useful life whichever is less
Right of use to develop and operate the port facilities	On Straight line basis	Over the balance period of Sub Concession Agreement effective from 25th November, 2010 entered with Gujarat Maritime Board and Hazira Port Private Limited.

i) Borrowing Costs

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

j) Leases

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

The Company as a lessee

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

i **Right-of-use assets**

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

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

ii **Lease liabilities**

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

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

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

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k) Inventories

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

Stores and Spares: Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty payable.

Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

l) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

m) Provisions, Contingent Liabilities and Contingent Assets

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

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

Operational Claim provisions

Provisions for operational claims are recognised when the service is provided to the customer. Further recognition is based on historical experience. The initial estimate of operational claim related cost is revised annually.

n) Retirement and other employee benefits

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

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

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

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

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

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

o) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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, loans and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income (FVTOCI), is classified as at FVTPL.

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

b) Lease receivables under relevant accounting standard

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

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

- Trade receivables; and
- All lease receivables resulting from transactions within the scope of relevant accounting standard

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 after 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 income / (expense) 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

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the statement of 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 except where the Company has received temporary waiver of interest not exceeding 12 month period.

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

This category generally applies to borrowings.

Derecognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

p) Derivative financial instruments

Initial recognition and subsequent measurement

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

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

q) Cash and cash equivalents

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

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

r) Earnings per share

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

For the purpose of calculating diluted earnings per share, the profit 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.

s) Segment Reporting

In accordance with the Ind AS 108 "Operating Segments", the Company has determined its business segment of developing, operating and maintaining the port based infrastructure 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 statements.

2.3 Amended standards adopted by the Company

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after April 01, 2020.

Amendments to Ind AS 116 - Covid-19 Related Rent Concessions

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

(a)The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease

(b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

(c)There is no substantive change to other terms and conditions of the lease.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to Ind AS 103

Definition of a business

The Company has adopted the amendments to Ind AS 103 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 April 2020.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to Ind AS 1 and Ind AS 8 - Definition of "material"

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to Ind AS 109 and 107 - Interest Rate Benchmark Reform

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The adoption of the amendments has not had any impact on the disclosures or on the amounts reported in these financial statements.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Company's Ind AS Financial Statements requires management to make judgments, 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.

(A) Judgments

As per Government notification no. 57/2015-2020 dated March 31, 2020 the Company is entitled to Service Exports from India Scheme (SEIS) benefits on Port Services till year ended March 31, 2020 and accordingly company has accounted the same on provisional basis pending notification in receipt of the eligible service and rate of rewards as at reporting date (Refer note 8 (c)).

(B) Estimates and assumptions

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

i) Impairment of non-financial assets

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

ii) Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 25.

iii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 28.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. refer note 26 for further disclosures.

Provision for Decommissioning Liabilities

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

Useful lives of property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful lives of property, plant and equipments are described in note 2.2 (g).

4 Investments	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Non Current		
Investment in equity share of a subsidiary (valued at cost)		
2,42,00,000 (March 31, 2020: 2,42,00,000) fully paid equity shares of ₹ 10 each of Hazira Infrastructure Limited	2,420.00	2,420.00
	2,420.00	**2,420.00**
Aggregate cost of unquoted investment	2,420.00	2,420.00

5 Trade Receivables	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Current		
Unsecured considered good unless stated otherwise		
Trade Receivables		
- Considered Good	6,448.37	9,311.42
- Considered Doubtful	117.13	170.19
Receivables from related parties, unsecured considered good (refer note 30)	1,625.16	6,262.37
	8,190.66	**15,743.98**
Less : Allowances for Doubtful debts	(117.13)	(170.19)
	8,073.53	**15,573.79**

Notes :

a) 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.

b) Generally, as per credit terms trade receivable are collectable within 30-180 days although the Company provides extended credit period with interest between 8% to 10% considering business and commercial arrangements with the customers including with the related parties.

6 Loans (Unsecured unless otherwise stated)	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Non - Current		
Loans to Related Parties (Considered Good) (refer note 30)(Refer Note (ii) below)	86,926.10	64,500.00
	86,926.10	**64,500.00**
Current		
Loan to others (Considered Good) (Refer Note (i) below)	46,391.89	800.00
Loans to Related Parties (Considered Good) (refer note 30)	12,090.98	-
	58,482.87	**800.00**

Note:

(i) Loans to others include inter-corporate deposits aggregating ₹ 46,391.89 Lacs (previous year ₹ 800.00 Lacs) (Including renewals on due dates) to third parties. These deposits are given at prevailing market interest rates.The inter-corporate deposits have been approved by the Board of Directors of the company.
Repayment of loans given to these parties along with interest thereon have been guaranteed by way of undertaking obtained from one of the promoter owned entity, in the event of default by the said company to pay the dues.

(ii) Loans given to Adani Kandla Bulk Terminal Private Limited ("AKBTPL"), has been assigned by Adani Ports & Special Economic Zone Limited (APSEZL) to the Company. The carrying amounts of loans given to Adani Kandla Bulk Terminal Private Limited ("AKBTPL"), fellow subsidiary company, aggregating to ₹ 20,007.60 lacs (including interest accrued ₹ 7.60 lacs) as at March 31, 2021. The said fellow subsidiary company have incurred losses in the recent years and have negative net worth which aggregate ₹ 27,979.69 lacs as at March 31, 2021. AKBTPL has received relaxation in the form of rationalization on revenue share on storage income from the Port Trust in accordance with guidelines from Ministry of Shipping ("MoS") in financial year 2018-19.
The Company has determined the recoverable amounts of its loans in fellow subsidiary as at March 31, 2021 by considering a discounted cash flow model. Such determination is based on significant estimates & judgements to be made by the management as regards the benefits of the rationalisation of revenue share on storage income received, implications expected to arise from COVID-19 pandemic, discount rates which have been considered over the remaining concession period and are considered reasonable by the Management. On a careful evaluation of the aforesaid factors, the Company's management has concluded that no provision for impairment in respect of such loans is considered necessary at this stage.

7 **Other Financial assets**

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Non-current		
Security deposit		
Considered Good	29,111.93	17,103.28
Bank Deposits having maturity over 12 months	-	0.20
Interest accrued on Deposits Given	2,555.37	2,589.07
	31,667.30	**19,692.55**
Current		
Security deposit		
Considered Good	41.80	44.60
Interest accrued on Loans and Deposits Given	6,927.66	4,962.90
Advance to Employees	30.59	36.47
	7,000.05	**5,043.97**

8 **Other Assets**

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Non Current		
Capital Advances		
(i) Advance for land (refer note 33B(ii))(refer note (ii) below)	5,490.71	5,407.68
(ii) Other Capital Advances (Unsecured, considered good unless otherwise stated)	1,747.30	1,081.03
	7,238.01	**6,488.71**
Taxes recoverable (net of provision)(refer note 25)	530.81	134.45
Export Benefits Receivable (Refer Note (iii) below)	7,332.57	7,332.57
Prepaid Expenses	28.20	37.51
	15,129.59	**13,993.24**
Current		
Advance to Suppliers		
To related party (refer note 30)	-	12.19
To others	250.86	759.40
	250.86	**771.59**
Others (Unsecured)		
Prepaid Expenses	105.13	98.03
Contract Assets (refer note (i) below)	102.84	243.40
Balance with Government Authorities	424.13	610.67
	632.10	**952.10**
	882.96	**1,723.69**

Note :

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

(ii) The above capital advance pertains to purcahse of Land however the same has not been capitalised as part of PPE since the title is yet to be transferred in the name of the Company.

(iii) As per Government notification dated March 31, 2020 the Company is entitled to Service Exports from India Scheme (SEIS) benefits on Port Services till year ended March 31, 2020. The SEIS benefits of ₹ 7,332.57 lacs for the Port Services provided during the financial year ended March 31, 2020 has been accounted by the Company on provisional basis pending notification in respect of the service categories eligible under the scheme and the rates of rewards on such services by Government Authorities and as at reporting date Company is carrying ₹ 7,332.57 lacs receivables in the books. The Company's management is confident that Company will able to realise the outstanding receivables once the Government notify the said services and rates.

9 **Inventories**

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
(At lower of cost and net realizable value)		
Stores and Spares	2,451.93	2,633.25
	2,451.93	**2,633.25**

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
10 Cash and Bank Balances		
(a) Cash and cash equivalents		
Balances with banks (In Current Account)	44,193.96	85,593.29
Cash on hand	4.41	7.83
	44,198.37	**85,601.12**

(b) Other bank balances	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Margin Money deposits	0.20	-
	0.20	**-**

Note : Margin Money deposit includes ₹ 0.20 Lacs (March 31, 2020 : NIL) being pledged / lien against bank guarantees.

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11 Equity Share capital

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Authorised		
75,00,00,000 Equity Shares of ₹ 10 each (March 31 , 2020 : 75,00,00,000 Equity Shares of ₹ 10 each)	75,000.00	75,000.00
	75,000.00	**75,000.00**
Issued, subscribed and fully paid up shares		
71,54,70,000 Equity Shares of ₹ 10 each (March 31 , 2020 : 71,54,70,000 Equity Shares of ₹ 10 each)	71,547.00	71,547.00
	71,547.00	**71,547.00**

Notes:

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

	March 31, 2021		March 31, 2020	
	No in Lacs	₹ in Lacs	No in Lacs	₹ in Lacs
At the beginning of the year	7,154.70	71,547.00	7,154.70	71,547.00
New Shares Issued during the year	-	-	-	-
At the end of the year	**7,154.70**	**71,547.00**	**7,154.70**	**71,547.00**

(b) Terms/rights attached to equity shares:

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

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

(c) Shares held by holding company

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

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominees		
71,54,70,000 equity shares (Previous year 71,54,70,000) of ₹ 10 each	71,547.00	71,547.00

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

Equity shares of ₹ 10 each fully paid	Particulars	March 31, 2021	March 31, 2020
Adani Ports and Special Economic Zone Limited, the holding company and its nominees	No in Lacs	7,154.70	7,154.70
	% Holding	100.00%	100.00%

12 Other Equity

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Retained Earnings		
Opening Balance	203,665.54	134,320.75
Add : Profit for the year	80,242.45	69,390.79
Add : Re-measurement gains / (losses) on defined benefit plans (net of tax)	17.06	(46.00)
Closing Balance	**283,925.05**	**203,665.54**

Note:- The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans.

13 Borrowings

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
<u>**Non-Current**</u>		
Inter Corporate Deposit (Secured) (refer note a)	130,000.00	130,000.00
Inter Corporate Deposit (Unsecured) (refer note b)	-	13,500.00
Indian rupee term loans from banks (Secured) (refer note c)	60,000.00	60,000.00
	190,000.00	**203,500.00**
Less : Current maturities of long term borrowings		
Indian rupee term loans from banks (Secured) (refer note c)	(15,000.00)	-
Total current maturity of long term borrowing reclassified with other current financial liabilities (refer note 14)	**15,000.00**	**-**
Non-current portion of long term borrowings	**175,000.00**	**203,500.00**

Total Borrowing includes		
Secured borrowings	190,000.00	190,000.00
Unsecured borrowings	-	13,500.00
Total borrowings	**190,000.00**	**203,500.00**

Notes:

(a) Inter Corporate Deposit aggregating to ₹ 1,30,000.00 Lacs (March 31, 2020 ₹ 1,30,000.00 Lacs) received from Adani Ports and Special Economic Zone Ltd., the holding Company, is secured and carries interest rate @ 6.25% p.a. till December, 2018 and @ 7.5% from January, 2019. The outstanding loan balance will be repayable in 3 equal annual installments commencing from October 30, 2025 to October 30, 2027.The Inter Corporate Deposits is secured first pari passu on the entire assets, both movable assets and immovable assets, intangible assets, current assets including receivables, both present and future. .

(b) Inter Corporate Deposit aggregating to Nil (March 31, 2020 ₹ 13,500.00 Lacs) received from Adani Ports and Special Economic Zone Ltd., the holding Company, is unsecured and carries interest rate @ 6.25% p.a. till December, 2018 and @ 7.5% from January, 2019. The outstanding loan was repaid on July 07, 2020..

(c) Rupee Term Loan aggregating to ₹ 60,000.00 Lacs (previous year ₹ 60,000.00 Lacs) carries Repo Rate 4% + 3.05% Spread from June 1, 2020 (Earlier HDFC Bank 3 Months MCLR Rate Plus Spread of 0.30% pa) payable in 12 consecutive quarterly installments commencing from July, 2021 to April 2024 . The Loan from bank is secured first pari passu on the entire assets, both movable assets and immovable assets, intangible assets, current assets including receivables, both present and future. The company is in the process of creation of charge on the reporting date.

14 Other financial liabilities	**March 31, 2021 ₹ in Lacs**	**March 31, 2020 ₹ in Lacs**
Non-Current		
Lease Liabilities (refer note (b) and (c) below)	1,577.10	1,609.37
Capital creditors, retention money and other payable	178.83	51.38
	1,755.93	**1,660.75**
Current		
Current maturities of long term borrowings (refer note 13)	15,000.00	-
Interest accrued but not due on borrowings	1,125.24	11,274.21
Deposits from customers	611.02	576.66
Capital creditors and retention money	9,154.40	11,759.36
Other payables (Including discounts etc.)	1,945.75	3,581.14
Lease Liabilities (refer note (b) and (c) below)	32.26	25.86
	27,868.67	**27,217.23**

Note (a) Disclosure in accordance with Ind AS 7 Statement of Cash Flows :
Changes in liabilities arising from financing activities
For the year ended March 31, 2021 **₹ in Lacs**

Particulars	**April 1, 2020**	**Cash Flow**	**Foreign Exchange Movement**	**Lease Liabilities recognition as per IND as 116 Lease**	**Other Adjustment including finance cost for the year**	**March 31, 2021**
Long-term Borrowings (refer note 13)	203,500.00	(13,500.00)	-	-	-	190,000.00
Interest accrued but not due	11,274.21	(24,651.77)	-	-	14,502.80	1,125.24
Lease Liabilities	1,635.23	(25.87)	-	-	-	1,609.36
Total	**216,409.44**	**(38,177.64)**	**-**	**-**	**14,502.80**	**192,734.60**

For the year ended March 31, 2020 **₹ in Lacs**

Particulars	**April 1, 2019**	**Cash Flow**	**Foreign Exchange Movement**	**Lease Liabilities recognition as per IND as 116 Lease**	**Other Adjustment including finance cost for the year**	**March 31, 2020**
Long-term Borrowings (refer note 13)	177,100.00	26,400.00		-	-	203,500.00
Interest accrued but not due	1,037.20	(6,853.61)	-	-	17,090.62	11,274.21
Derivative Contract	1,368.20	(93.05)	-	-	(1,275.15)	-
Lease Liabilities	-	(20.04)		1,655.27	-	1,635.23
Total	**179,505.40**	**19,433.30**	**-**	**1,655.27**	**15,815.47**	**216,409.44**

Note (b) Assets taken under Lease :
Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows :

₹ in Lacs

Particulars	Within One Year	After One Year but not later than five years	More than five years	Total Minimum Lease Payments	Less: Amounts representing finance charges	Present value of minimum lease payments
March 31, 2021						
Minimum Lease Payments	152.96	659.13	2,032.83	2,844.92	(1,235.56)	1,609.36
Finance charge allocated to future periods	120.70	453.10	661.76	1,235.56	-	-
Present Value of MLP	32.26	206.03	1,371.07	1,609.36		1,609.36
March 31, 2020						
Minimum Lease Payments	148.51	639.94	2,204.99	2,993.44	(1,358.21)	1,635.23
Finance charge allocated to future periods	122.65	466.14	769.42	1,358.21	-	-
Present Value of MLP	25.86	173.80	1,435.57	1,635.23		1,635.23

Note (c) Assets taken under Lease : A parcel of land have been taken on lease by the Company. The lease rent terms are for the period from 23 years as per the lease agreement with the party. Such leases are renewable by mutual consent. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements.

15 Other Liabilities

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Non Current		
Deferred Government Grant (refer note (i) below)	3,980.61	4,433.57
	3,980.61	**4,433.57**
Current		
Contract Liabilities (refer note (ii) below)	4,197.13	2,475.12
Statutory Liability	1,452.33	913.21
Deferred Government Grant (refer note (i) below)	452.96	452.96
	6,102.42	**3,841.29**

(i) Movement in Government Grant	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Opening Balance	4,886.53	5,340.73
Add : Addition during the year	-	-
Less : Amortisation during the year	(452.96)	(454.20)
Closing Balance	**4,433.57**	**4,886.53**
Non Current	3,980.61	4,433.57
Current	452.96	452.96

(ii) Current Contract liabilities includes transaction price allocated to unsatisfied performance obligation in respect of Storage and Dispatch services of Customers' Cargo lying at Port.

16 Trade and Other Payables

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Payables to micro and small enterprises (refer note 32)	99.01	-
Payable to others	4,133.22	3,381.76
	4,232.23	**3,381.76**
Dues to related parties included in above Trade payables (refer note 30)	387.47	695.02

17 Current Tax Liabilities (Net)

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Provision for Current Tax (net of advance tax) (refer note 25)	-	214.85
	-	**214.85**

18 Provisions	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Non-current		
Provision for gratuity (refer note 28)	108.25	-
	108.25	**-**
Current		
Provision for Employee Benefits		
Provision for gratuity (refer note 28)	-	77.52
Provision for compensated absences	293.49	253.07
	293.49	**330.59**

19 Revenue from Operations	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Income from Port Operations (refer note (a) below)	128,728.05	117,614.08
Income from Export Incentives (Service Export from India Scheme)	-	9,737.90
	128,728.05	**127,351.98**

a) Reconciliation of revenue recognised with contract price:

Particular	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Contract Price	**130,827.86**	**118,683.30**
Adjustment for:		
Refund Liability	(1,842.90)	(826.95)
Change in value of Contract Assets	(140.56)	125.29
Change in value of Contract Liabilities	(116.35)	(367.56)
Revenue from Contract with Customers	**128,728.05**	**117,614.08**

20 Other Income	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Interest Income on		
Bank Deposits (At amortised cost)	0.03	1,922.88
Loans and Deposits (At amortised cost)	16,882.96	11,824.05
Unclaimed Liabilities /Excess Provision Written Back	2.46	-
Scrap Sale	227.74	108.68
Rent Income (refer note (a) below)	120.21	119.23
Gain on sale of Mutual Fund	27.76	577.87
Amortisation of Government Grant	452.96	454.20
Miscellaneous Income	201.18	250.62
	17,915.30	**15,257.53**

Note :

a) Assets given under Operating Lease - A part of office building have been given on operating leases. The lease term are for the period of 11 months and are renewable by mutual consent. There are no-sub leases and leases are cancellable in nature. There are no restriction imposed by the lease arrangements. There is no contingent rent or escalation clause in the lease agreements.

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21 Operating Expenses	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Cargo handling/other charges to sub-contractors (net of reimbursement)	10,009.54	10,000.60
Tug and Pilotage Charges	61.27	53.69
Maintenance Dredging	3,722.48	4,106.33
Repairs to Plant & Machinery	1,014.06	880.44
Store & Spares consumed	2,042.65	2,501.95
Power & Fuel (net of credit from Wind Power Generation ₹ 226.24 lacs and previous year ₹ 265.07 lacs)	3,104.61	3,320.10
Waterfront Charges	3,568.44	3,573.07
Other expenses including customs establishment charges	28.43	2.32
	23,551.48	**24,438.50**

22 Employee benefit expense	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Salaries, Wages and Bonus	3,238.50	3,140.37
Contribution to Provident and Other Funds	154.31	153.98
Gratuity Expenses (refer note 28)	66.60	56.03
Staff Welfare Expenses	340.52	360.02
	3,799.93	**3,710.40**

23 Finance Costs	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Interest on		
Term loan, Inter corporate deposit etc.	14,279.88	16,778.28
Lease obligation	122.64	124.14
Others	9.30	56.62
	14,411.82	**16,959.04**
Bank and Other Finance Charges	90.98	131.58
	14,502.80	**17,090.62**
(Gain) / Loss on Derivatives / Swap Contracts (net)	-	(1,275.15)
	14,502.80	**15,815.47**

24 Other Expenses	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Guest House Rent	30.09	23.31
Rates and Taxes	8.78	12.09
Insurance (net of reimbursement)	235.64	215.78
Advertisement and Publicity	10.06	46.07
Other Repairs and Maintenance (net of reimbursement)	179.77	161.12
Legal and Professional Expenses	641.82	523.56
Payment to Auditors (refer note (a) below)	33.84	32.58
Security Service Charges	22.33	29.47
Communication Expenses	278.96	304.38
Office Expenses	230.76	244.94
Travelling and Conveyance	512.34	455.67
Directors Sitting Fee	0.80	0.56
Charity & Donations (refer note (b) below)	1,194.75	1,046.00
Loss on sale of fixed assets (net)	140.16	32.14
Allowances for doubtful debts	(53.05)	(27.40)
Miscellaneous Expenses	720.08	786.82
	4,187.13	**3,887.09**

Note: (a)

Payment to Auditor	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
As Auditor:		
Audit fee	18.64	24.70
Limited review	13.86	6.30
In other Capacity		
Other Services	0.92	1.58
Reimbursement of expenses	0.42	-
	33.84	**32.58**

Note: (b)

Details of Corporate Social Responsibilities

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

The company has paid ₹ 1,194.75 lacs (previous year ₹ 1,046.00 lacs) towards corporate social responsibilities to Adani Foundation.

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
1) Gross Amount required to spent during the year	1,194.75	1,046.00

2) Amount spent during the year ended		**In cash**	**Yet to be**	**Total**
March 31, 2021				
i) Construction/acquisition of any asset		-	-	-
ii) On purposes other than (i) above		1,194.75	-	1,194.75
	Total	**1,194.75**	**-**	**1,194.75**
March 31, 2020				
i) Construction/acquisition of any asset		-	-	-
ii) On purposes other than (i) above		1,046.00	-	1,046.00
	Total	**1,046.00**	**-**	**1,046.00**

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25 Income Tax

(i) The major components of income tax expenses for the years ended March 31, 2021 and March 31, 2020

Profit and Loss Section	**March 31, 2021 ₹ in Lacs**	**March 31, 2020 ₹ in Lacs**
Current income tax:		
Current tax charge	14,445.55	13,571.01
Deferred Tax:		
Relating to origination and reversal of temporary differences	1,813.75	2,461.44
Tax (credit) under Minimum Alternate tax	(12,852.04)	(7,705.05)
Tax (credit) under Minimum Alternate tax pertaining to previous years	(897.10)	(38.38)
Tax expenses reported in statement of profit and loss	**2,510.16**	**8,289.02**

(ii) Balance Sheet Section	**March 31, 2021 ₹ in Lacs**	**March 31, 2020 ₹ in Lacs**
Current tax liabilities (Net) (net) (refer note 17)	-	214.85
'Taxes Recoverable (net) (refer note 8)	(530.81)	(134.45)
	(530.81)	**80.40**

Note : Liabilities for Current Tax (net) and Taxes Recoverable (net) are presented based on a year-wise tax balances, as the case may be.

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020

	March 31, 2021 ₹ in Lacs	**March 31, 2020 ₹ in Lacs**
Accounting profit before taxation	**82,752.61**	**77,679.81**
Applicable tax rate	34.944%	34.944%
Computed tax expenses	**28,917.07**	**27,144.43**
Tax effect of :		
Expenses not allowable under Tax laws	80.90	66.96
Permanent diferrences	175.16	29.63
Deduction under chapter VI-A	(25,518.93)	(18,974.82)
MAT recognised for earlier years	(897.10)	(38.38)
Impact of Tax expense of earlier years	3.66	-
Others (including impact of timing differences arising and reversing in the tax holiday period)	(250.60)	61.20
Income tax expenses charged to profit and loss	**2,510.16**	**8,289.02**
Effective tax rate	**3.03%**	**10.67%**

(iv) Deferred Tax Liabilities(net)

Particulars	**Balance Sheet**		**Profit and Loss/OCI**	
	March 31, 2021 ₹ in Lacs	**March 31, 2020 ₹ in Lacs**	**March 31, 2021 ₹ in Lacs**	**March 31, 2020 ₹ in Lacs**
Accelerated depreciation for tax	(31,575.33)	(29,736.37)	(1,838.96)	(2,488.51)
Lease Liabilities	52.01	23.49	28.52	23.49
Defined benefit liability	-		-	3.58
Assest Fair Valuation	(3.31)	-	(3.31)	-
Deferred tax liabilities	**(31,526.63)**	**(29,712.88)**	**(1,813.75)**	**(2,461.44)**

Note:

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

(v) Deferred Tax Assets reflected in the Balance Sheet as follows	**March 31, 2021 ₹ in Lacs**	**March 31, 2020 ₹ in Lacs**
Deferred tax liabilities (net)	31,526.63	29,712.88
Less : Tax Credit Entitlement under MAT	(49,686.15)	(35,937.02)
	(18,159.52)	**(6,224.14)**

(vi) Reconciliation of Deferred tax liabilities/Assets (net)	**March 31, 2021 ₹ in Lacs**	**March 31, 2020 ₹ in Lacs**
Tax income / (expenses) during the period recognised in Statement of Profit and Loss	(1,813.75)	(2,461.44)
	(1,813.75)	**(2,461.44)**

(vii) The Company is eligible to avail benefits under section 80IA of the Income Tax Act , 1961 on the Taxable income w.e.f. FY 2017-18. Currently, the Company is liable to pay Minimum Alternative Tax (MAT) on income of the year/period and accordingly has made provision for tax under section 115JB. The Company has recognised the deferred tax liabilities of ₹ 31,526.63 Lacs (PY ₹ 29,712.88 Lacs) in respect of timing difference which will reverse after the tax holiday period. Based on amendment, the Company has made provision of ₹ 14,445.55 Lacs (PY ₹ 13,571.01. Lacs) for current taxation based on its book profit for the financial year 2020-21 and has recognised MAT credit of ₹ 13,749.14 Lacs (PY ₹ 7,743.43 Lacs) as the management believes in view of strategic volumes of cargo available with the company and higher depreciation charge for accounting purposes than the depreciation for income tax purposes in the future period, it is possible that the MAT credit will utilised post tax holiday period w.e.f. Financial Year 2027-28.

(viii) The Company has following unutilised MAT credit for which deferred tax assets has been recognised in the Balance Sheet.

Financial Year	(₹ in Lacs)	Expiry Date
2014-15	2,990.72	2029-30
2015-16	8,064.42	2030-31
2017-18	7,949.80	2032-33
2018-19	9,227.04	2033-34
2019-20	8,602.14	2034-35
2020-21	12,852.03	2035-36
Total	**49,686.15**	

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

26.1 Category-wise Classification of Financial Instruments:

₹ in Lacs

Particulars	Refer Note	March 31, 2021			
		Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset					
Trade receivables	5	-	-	8,073.53	8,073.53
Cash and Cash Equivalents	10	-	-	44,198.37	44,198.37
Bank balance other than Cash & Cash Equivalents	10	-	-	0.20	0.20
Loans	6	-	-	145,408.97	145,408.97
Others financial assets	7	-	-	38,667.35	38,667.35
Total		**-**	**-**	**236,348.42**	**236,348.42**
Financial Liabilities					
Borrowings	13	-	-	190,000.00	190,000.00
Trade payables	16	-	-	4,232.23	4,232.23
Other financial liabilities	14	-	-	14,624.60	14,624.60
Total		**-**	**-**	**208,856.83**	**208,856.83**

₹ in Lacs

Particulars	Refer Note	March 31, 2020			
		Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset					
Trade receivables	5	-	-	15,573.79	15,573.79
Cash and Cash Equivalents	10	-	-	85,601.12	85,601.12
Loans	6	-	-	65,300.00	65,300.00
Others financial assets	7	-	-	24,736.52	24,736.52
Total		**-**	**-**	**191,211.43**	**191,211.43**
Financial Liabilities					
Borrowings	13	-	-	203,500.00	203,500.00
Trade payables	16	-	-	3,381.76	3,381.76
Other financial liabilities	14	-	-	28,877.98	28,877.98
Total		**-**	**-**	**235,759.74**	**235,759.74**

Note : The above table does not include Investments ₹ 2,420.00 lacs (previous year ₹ 2,420.00 lacs) measured at cost.

26.2 Fair Value Measurements:

(a) Financial Instrument measured at Amortised Cost

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

26.3 Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, 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 short term investments, trade and other receivables and cash and cash equivalents that it derives directly from its operations. The Company also enters into derivative transactions.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk) and interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk . It manages its exposure to these risks through derivative financial instruments by hedging transactions as per the policy. It uses derivative instruments such as principal only swaps and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favorable and unfavorable fluctuations.

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

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

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

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, short term Investments and derivative financial instruments.
The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analyses 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, 2021. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.
The following assumptions have been made in calculating the sensitivity analysis:
- 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, 2021 and March 31, 2020.

(I) Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities.

Interest rate sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended 31st March, 2021 would decrease / increase by ₹ 300.00 Lacs (for the year ended 31st March, 2020: decrease / increase by ₹ 300.00 Lacs). This is mainly attributable to interest rates on variable rate long term borrowings. The same has been calculated based on risk exposure outstanding as on balance sheet date.The year end balances are not necessarily representative of average debt outstanding during the year.

(II) Foreign currency risk

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

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

The below table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of unhedged exposures are given as part of Note 31(a).

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

₹ in Lacs

Sr. No.	Particulars	Impact on Profit before tax		Impact on Pre-tax Equity	
		For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**USD Sensitivity**				
	₹ / USD – Increase by 1%	(1.44)	(5.65)	(1.44)	(5.65)
	₹ / USD – Decrease by 1%	1.44	5.65	1.44	5.65
2	**GBP Sensitivity**				
	₹ / GBP – Increase by 1%	Nil	(0.51)	Nil	(0.51)
	₹ / GBP – Decrease by 1%	Nil	0.51	Nil	0.51

(iii) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

(B) Credit risk

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

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

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

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

Concentrations of Credit Risk form part of Credit Risk

The Company is significantly dependent on cargo from or to few large port user customer with whom it has strategic arrangements. Out of total revenue, the Company earns ₹ 45,767.93 Lacs of revenue during the year ended March 31, 2021 (previous year ₹ 51,118.49 Lacs) from such customer which constitute 36% (previous year 43%) of total revenue and the accounts receivable from such customer approximated ₹ 6,072.96 Lacs as at March 31, 2021 (previous year ₹ 11,814.38 Lacs). A loss of these customer could adversely affect the operating results or cash flows of the Company.

(C) Liquidity Risk

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

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents.

The table below analysis financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments as updated during the year, ignoring the refinancing options available with the Company. The amounts included below for variable interest rate instruments is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

₹ in Lacs

Particulars	Total Carrying Value	Total Contractual Cashflow	On demand or within 1 year	Over 1 year Within 5 years	Over 5 years
As at March 31, 2021					
Borrowings	190,000.00	190,000.00	15,000.00	43,333.33	131,666.67
Trade Payables	4,232.23	4,232.23	4,232.23	-	-
Lease Liabilities	1,609.36	2,844.92	152.96	659.13	2,032.83
Other Financial Liabilities	26,890.00	26,890.00	26,890.00	-	-
Interest accrued but not due	1,125.24	64,189.72	9,750.00	39,026.71	15,413.01
Total	**223,856.83**	**288,156.87**	**56,025.19**	**83,019.17**	**149,112.51**

₹ in Lacs

Particulars	Total Carrying Value	Total Contractual Cashflow	On demand or within 1 year	Over 1 year Within 5 years	Over 5 years
As at March 31, 2020					
Borrowings	203,500.00	203,500.00	-	73,500.00	130,000.00
Trade Payables	3,381.76	3,381.76	3,381.76	-	-
Lease Liabilities	1,635.23	2,993.44	148.51	639.94	2,204.99
Other Financial Liabilities	15,968.54	15,968.54	15,968.54	-	
Interest accrued but not due	11,274.21	89,496.96	15,492.25	48,841.70	25,163.01
Total	**224,485.53**	**225,843.74**	**19,498.81**	**74,139.94**	**132,204.99**

26.4 Capital management

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

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

₹ in Lacs

Particulars	March 31, 2021	March 31, 2020
Total Borrowings	190,000.00	203,500.00
Less: Cash and bank balance	44,198.57	85,601.12
Net Debt (A)	**145,801.43**	**117,898.88**
Total Equity (B)	**355,472.05**	**275,212.54**
Total Equity and Net Debt (C = A + B)	**501,273.48**	**393,111.42**
Gearing ratio	29.09%	29.99%

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, 2021 and March 31, 2020.

27 Earnings per share

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Profit attributable to equity shareholders of the company	80,242.45	69,390.79
Weighted average number of equity shares in calculating basic and diluted EPS	715,470,000	715,470,000
Basic and Diluted earning per share (in ₹)	11.22	9.70

28 Disclosures as required by Ind AS - 19 Employee Benefits

(a) The Company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 149.03 Lacs (previous year ₹ 149.27 Lacs) as expenses under the following defined contribution plan.

₹ in Lacs

Contribution to	2020-21	2019-20
Provident Fund	146.03	145.78
Superannuation Fund	3.00	3.49
Total	**149.03**	**149.27**

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

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

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

Gratuity

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

₹ in Lacs

Particulars	March 31, 2021	March 31, 2020
Present value of the defined benefit obligation at the beginning of the year	395.65	308.65
Current service cost	60.51	54.86
Interest cost	27.39	23.22
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(9.75)	3.75
- change in financial assumptions	-	26.58
- experience variance	(12.94)	3.53
Benefits paid	(26.77)	(21.13)
Acquisition adjustment	13.42	(3.81)
Present value of the defined benefit obligation at the end of the year	**447.51**	**395.65**

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

₹ in Lacs

Particulars	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning of the year	318.13	289.53
Investment income	21.30	22.05
Contributions by employer	18.90	28.41
Benefits paid	(13.44)	(9.72)
Return on plan assets , excluding amount recognised in net interest expense	(5.63)	(12.14)
Fair value of plan assets at the end of the year	**339.26**	**318.13**

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

₹ in Lacs

Contribution to	March 31, 2021	March 31, 2020
Present value of the defined benefit obligation at the end of the year	447.51	395.65
Fair value of plan assets at the end of the year	339.26	318.13
Amount recognised in the balance sheet	(108.25)	(77.52)
Net (liability)/asset - Current	-	(77.52)
Net (liability)/asset - Non-current	(108.25)	-

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

₹ in Lacs

Particulars	March 31, 2021	March 31, 2020
Current service cost	60.51	54.86
Interest cost on benefit obligation	6.09	1.17
Total Expense included in employee benefits expense	**66.60**	**56.03**

(e) Recognised in the other comprehensive income for the year **₹ in Lacs**

Particulars	March 31, 2021	March 31, 2020
Actuarial (gain)/losses arising from		
- change in demographic assumptions	(9.75)	3.75
- change in financial assumptions	-	26.58
- experience variance	(12.94)	3.53
Return on plan assets, excluding amount recognised in net interest expense	5.63	12.14
Recognised in comprehensive income	**(17.06)**	**46.00**

(f) The principle assumptions used in determining gratuity obligations are as follows: **₹ in Lacs**

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.70%	6.70%
Rate of escalation in salary (per annum)	8.00%	8.00%
Mortality	Indian assured lives mortality table 2012-14	Indian assured lives mortality table 2012-14
Attrition rate	9.50%	6.71%

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.

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

Particulars	March 31, 2021	March 31, 2020
Investments with insurer*	100%	100%

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

(h) Sensitivity Analysis Method

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

Quantitative sensitivity analysis for significant assumption is as below

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

Particulars	March 31, 2021		March 31, 2020	
Assumptions	Discount rate			
Sensitivity level	1 % Decrease	1% Increase	1 % Decrease	1% Increase
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	34.14	(30.11)	36.77	(31.77)

Particulars	March 31, 2021		March 31, 2020	
Assumptions	Salary Growth rate			
Sensitivity level	1 % Decrease	1% Increase	1 % Decrease	1% Increase
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(30.03)	33.37	(31.69)	35.93

Particulars	March 31, 2021		March 31, 2020	
Assumptions	Attrition rate			
Sensitivity level	50 % Decrease	50 % Increase	50 % Decrease	50 % Increase
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	18.36	(12.09)	14.94	(10.74)

Particulars	March 31, 2021		March 31, 2020	
Assumptions	Mortality rate			
Sensitivity level	10 % Decrease	10 % Increase	10 % Decrease	10 % Increase
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	0.07	(0.07)	0.08	(0.08)

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

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

(i) Maturity profile of Defined Benefit Obligation

₹ in Lacs

Particulars	**March 31, 2021**	**March 31, 2020**
Weighted average duration (based on discounted cash flows)	7 years	9 years

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

₹ in Lacs

Particulars	**March 31, 2021**	**March 31, 2020**
Within the next 12 months	69.07	62.93
Between 2 and 5 years	167.12	101.71
Between 6 and 10 years	211.36	178.42
Beyond 10 years	351.51	461.44
Total Expected Payments	**799.06**	**804.50**

The company expects to contribute ₹ 172.45 lacs to gratuity fund in the financial year 2021-22. (Previous year ₹ 137.25 lacs)

29 Segment information

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

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

30 Related Party Disclosures

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
Subsidiary Company	Hazira Infrastructure Limited (Formerly known as "Hazira Infrastructure Private Limited")
Fellow Subsidiary Companies	Adani Logistics Limited
	Adani Kandla Bulk Terminal Private Limited
	Adani Petronet (Dahej) Port Private Limited
	MPSEZ Utilities Limited (Formerly known as "MPSEZ Utilities Private Limited")
	Adani Murmugao Port Terminal Private Limited
	The Dhamra Port Company Limited
	Shantisagar International Dredging Limited (Formerly known as "Shantisagar International Dredging Private Limited ")
	Adani Vizag Coal Terminal Private Limited
	The Adani Harbour Services Limited (Formerly known as "The Adani Harbour Services Private Limited")
	Adani Ennore Container Terminal Private Limited
	Marine Infrastructure Develpor Private Limited
	Adani Krishnapatnam Port Limited (formerly known as Krishnapatnam Port Company Limited) [acquired on October 01, 2020]
	Karnavati Aviation Private Limited
Joint Venture of holding company	Adani International Container Terminal Private Limited
	Adani CMA Mundra Terminal Private Limited
Entities over which key Management Personnel and their relatives are able to exercise Significant Influence	Adani Foundation
Entities over which major shareholders of the holding company are able to exercise Significant Influence through voting power	Adani Enterprises Limited
	Adani Power Mundra Limited
	Adani Power Rajasthan Limited
	Mundra Solar Private Limited
	Udupi Power Corporation Limited
	Adani Power Maharashtra Limited
	Adani Power Limited
	Adani Bunkering Private Limited
	Mundra LPG Terminal Private Limited
	Adani Airport Holdgings Limited
	Adani Institute for Education and Research
	Adani Wilmar Limited
Key Managerial Personnel	Mr. Karan Adani – Director Mr. Unmesh Abhyankar – Director Mr. Sandeep Mehta – Managing Director Mr. Anand Singhal – Chief Financial Officer (up to January 17th , 2020) Mr. Rakesh Shah – Chief Financial Officer (w.e.f. January 24th , 2020) Mr. Mukesh kumar, IAS - Director (up to May 22th , 2020) Mr. Avantika Singh, Aulakh, IAS - Director (w.e.f. September 16th , 2020) Mr. Pranav Choudhary – Director (w.e.f. May 3rd , 2021) Mr. Subrat Tripathy – Director (w.e.f. May 3rd , 2021) Ms. Komal Majmudar - Non- Executive Director (up to March 31st , 2021) Mr. Manoj Chanduka – Company Secretary

Terms and conditions of transactions with related parties

(i) Outstanding balances of related parties at the year end are unsecured (except Inter Corporate Deposit amounting to ₹ 1,30,000 lacs) and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes :

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

₹ In Lacs

Transaction/Category	Related Party	March 31, 2021	March 31, 2020
Purchase of capital goods	Adani Kandla Bulk Terminal Private Limited	0.14	-
	Adani Ports and Special Economic Zone Limited	4.66	3.51
	Adani International Container Terminal Private Limited	1.04	-
	Mundra LPG Terminal Private Limited	14.50	
	Mundra Solar Private Limited	-	1,552.32
	Adani Petronet (Dahej) Port Private Limited	-	22.08
Income from port services	Adani Enterprises Limited	11,641.34	11,377.38
	Adani Logistics Limited	799.74	336.65
	Adani Bunkering Private Limited	-	0.37
	Adani Wilmar Limited	2,221.36	1,377.02
Sale of Non Financial Asset	Adani Wilmar Limited	-	11,575.73
Reimbursement of expenses (recovered)	The Adani Harbour Services Limited	17.05	16.55
	Adani Ports and Special Economic Zone Limited	19.89	25.50
	Adani Petronet (Dahej) Port Private Limited	9.95	10.38
	Adani Murmugao Port Terminal Private Limited	9.95	10.38
	Adani Kandla Bulk Terminal Private Limited	19.89	20.75
	Adani Krishnapatnam Port Limited	11.17	-
	The Dhamra Port Company Limited	14.27	2.25

Transaction/Category	Related Party	March 31, 2021	March 31, 2020
Sale of capital inventory (gross)	Adani Petronet (Dahej) Port Private Limited	52.50	50.78
	Udupi Power Corporation Limited	-	1.51
	Mundra LPG Terminal Private Limited	0.54	-
	Adani Power Rajasthan Limited	0.31	2.26
	Adani CMA Mundra Terminal Private Limited	0.55	-
	Shantisagar International Dredging Limited	0.68	-
	MPSEZ Utilities Private Limited	-	0.13
	Adani International Container Terminal Private Limited	0.81	-
	Adani Ports and Special Economic Zone Limited	10.84	14.05
Interest Expense	Adani Ports and Special Economic Zone Limited	9,945.09	12,062.61
Interest Income	Adani Ports and Special Economic Zone Limited	1,177.46	-
	Adani Kandla Bulk Terminal Private Limited	8.22	-
	Hazira Infrastructure Limited	6,724.67	3,768.77
Services availed			
- Professional fees	Adani Enterprises Limited	304.30	237.15
- Electricity Expenses	Adani Enterprises Limited	601.86	605.18
- Dredging	Adani Ports and Special Economic Zone Limited	1,102.12	761.25
- Dredger	Shantisagar International Dredging Limited	2,295.40	2,680.97
- Training	Adani Institute for Education and Research	0.08	-
Donation	Adani Foundation	1,191.00	1,046.00
Borrowings (Loan taken)	Adani Ports and Special Economic Zone Limited	15,533.00	131,200.00
Borrowings (Loan repaid)	Adani Ports and Special Economic Zone Limited	(29,033.00)	(164,800.00)
Loans Given	Hazira Infrastructure Limited	4,590.10	64,500.00
	Adani Kandla Bulk Terminal Private Limited	20,000.00	-
	Adani Ports and Special Economic Zone Limited	162,600.01	-
Loans Given received back	Adani Ports and Special Economic Zone Limited	150,509.02	-
	Hazira Infrastructure Limited	2,164.00	-
Lease Obligation Payment	Adani Logistics Limited	148.51	144.18
Sitting Fees	Ms. Komal Majmudar	0.56	0.56
Short-term employee benefits	Mr. Anand Singhal	-	35.11
Other long-term benefits		-	0.52
Post-employment benefits		-	2.32
Short-term employee benefits	Mr. Rakesh Shah	41.53	13.14
Post-employment benefits		6.92	1.48

The above Short-term employee benefits,other long-term benefits, post-employement benefits does not include Provision for Leave Encashment and Gratuity as it is provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be identified.

Adani Hazira Port Limited (Formerly known as "Adani Hazira Port Private Limited")
Notes to the Financials statements for the period ended March 31, 2021

₹ In Lacs

Closing Balance	Related Party	March 31, 2021	March 31, 2020
Trade Receivables	Adani Logistics Limited	202.37	232.97
	Adani Enterprises Limited	1,345.50	5,951.44
	Adani Power Maharashtra Limited	-	0.55
	Adani International Container Terminal Private Limited	0.71	1.11
	Adani Ports and Special Economic Zone Limited	6.13	0.83
	Adani Wilmar Limited	-	7.62
	Adani Power Rajasthan Limited	-	2.67
	MPSEZ Utilities Limited	-	0.14
	Adani Krishnapatnam Port Limited	13.18	-
	Adani Petronet (Dahej) Port Private Limited	55.70	63.13
	The Adani Harbour Services Private Limited	1.57	1.77
	Adani Bunkering Private Limited	-	0.14
		1,625.16	**6,262.37**
Other Financial & Non Financial Asset	Adani Enterprises Limited	17.00	17.00
	Adani Power Limited	-	0.11
	Marine Infrastructure Develpor Private Limited	-	5.12
	The Dhamra Port Company Limited	-	5.78
	Adani Power Mundra Limited	-	1.18
		17.00	**29.19**
Loans & Advances	Hazira Infrastructure Limited	66,926.10	64,500.00
	Adani Kandla Bulk Terminal Private Limited	20,000.00	-
	Adani Ports and Special Economic Zone Limited	12,090.98	-
		99,017.08	**64,500.00**
Trade Payables	Adani Enterprises Limited	106.82	63.29
	Adani Ports and Special Economic Zone Limited	35.86	81.61
	Adani Logistics Limited	0.99	73.52
	Adani Airport Holdgings Limited	6.68	-
	Mundra Solar Private Limited	1.17	-
	Adani Petronet (Dahej) Port Private Limited	-	1.44
	Adani International Container Terminal Private Limited	-	0.73
	Adani Ennore Container Terminal Private Limited	-	6.71
	Adani CMA Mundra Terminal Private Limited	0.15	-
	Shantisagar International Dredging Limited	235.80	467.72
		387.47	**695.02**
Other Current Liabilities	Mundra Solar Private Limited	-	722.76
		-	**722.76**
Advance from Customer	Adani Murmugao Port Terminal Private Limited	-	0.04
		-	**0.04**
Interest accrued and but not due Payable	Adani Ports and Special Economic Zone Limited	765.98	10,865.35
		765.98	**10,865.35**
Borrowings - Inter Corporate Deposit	Adani Ports and Special Economic Zone Limited	130,000.00	143,500.00
		130,000.00	**143,500.00**
Interest accrued and but not due	Adani Ports and Special Economic Zone Limited	652.56	-
	Adani Kandla Bulk Terminal Private Limited	7.60	-
	Hazira Infrastructure Limited	6,220.32	3,391.89
		6,880.48	**3,391.89**

(This space has been left intentionally blank)

31 Derivative instruments and unhedged foreign currency exposure

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

Nature	As at March 31, 2021		As at March 31, 2020	
	Amount ₹ in Lacs	Foreign Currency In Million	Amount ₹ in Lacs	Foreign Currency In Million
Trade payables	144.04	USD 0.20	565.15	USD 0.75
	Nil	Nil	51.39	EUR 0.06
Other Receivable	32.76	EUR 0.04	Nil	Nil

Closing rates as at March 31, 2021
INR / USD = ₹ 73.110
INR / EUR = ₹ 85.75

Closing rates as at March 31, 2020:
INR / USD = ₹ 75.665
INR / EUR = ₹ 82.77

32 Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III the Companies Act, 2013 for the year ended March 31, 2021. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

₹ in Lacs

Sr No	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each		
	Principal	99.01	Nil
	Interest	Nil	Nil
(ii)	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
(iii)	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
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v)	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	Nil	Nil

33 Capital commitments & other commitment

(A) Capital commitments

Estimated amount of contract [net of security deposits amounting to ₹ 29,000.00 Lacs (previous year ₹ 17,000.00 Lacs] remaining to be executed on capital account and not provided for ₹ 52,628.05 lacs (previous year ₹ 69,526.96 lacs) pertains to various projects to be completed during the span of coming 5 years. Major projects include Container berth extension, Reclamation of 100 hectare on seashore and mechanisation of coal yard, Encl 11-13 / Encl 14-16, Development of Railway connectivity etc.

(B) Other commitment

₹ in Lacs

Particulars	March 31, 2021	March 31, 2020
(i) The Company has imported capital good for its Container and Multipurpose Port Terminal Project under the Export Promotion Capital Goods Scheme of the Government of India at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 5,664.96 Lacs which is equivalent to either 8 times / 6 times of duty saved of ₹ 944.16 Lacs. The export obligation has to be completed in 2024-25.	5,664.96	828.96
(ii) The Company has entered into agreement in financial year 2013-14 to acquire land measuring 85,553 square meter in the Hazira region and an advance consideration of ₹ 1,822.56 lacs paid towards the land has been classified as capital advance. The company has entered into agreement to acquire additional land measuring 933 Acre in the Patan and Hazira region and an advance consideration of ₹ 3,668.15 lacs paid towards the land classified as capital advance respectively. As at March 31, 2021, the Company does not have physical possession of the said land, although it has contractual right in the said land parcels. The management represent that as land area and location is identifiable and the transaction will be concluded on receiving necessary government approvals.(refer note 8)	5,490.71	5,407.68

34 Contingent liabilities not provided for

₹ in Lacs

Sr.No	Particulars	March 31, 2021	March 31, 2020
(i)	The company's income tax assessments is completed till Assessment year 2017-18.Disputed income tax dues in respect of which the company is in appeal before the appellate authorities. The management is reasonably confident that its position is likely to be upheld in the appellate process.	7.26	30.39

35 Disclosure of significant interest in subsidiaries as per Ind AS 27 para 17.

Sr.No.	Name of Entities	Relationship	Place of Business	Ownership %	
				As at March 31, 2021	As at March 31, 2020
1	Hazira Infrastructure Limited	Subsidiary	India	100	100

Note : The Company is wholly owned subsidiary of Adani Ports and Special Economic Zone Limited, Holding Company which has prepared consolidated financials statement for the year ended March 31, 2021. Accordingly, the Company has availed an exemption as per Ind AS 110 paragraph 4(a) (i) for not preparing the consolidated financial statements.

36 The Company's management has made assessment of likely impact from the COVID-19 pandemic on business and financial risks based on internal and external sources. The Company has also considered the possible effects of COVID-19 on the carrying amounts of its financial and non-financial assets and debt covenants using reasonably available information, estimates and judgments and has determined that none of these balances require a material adjustment to their carrying values. Further, the management does not see any medium to long term risks in the ability of the Company to meet its liabilities as and when they fall due.

37 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 03, 2021, there are no subsequent events to be recognised or reported that are not already disclosed.

38 Standards issued but not yet effective

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

For and on behalf of Board of Directors

Pranav Choudhary [Director] DIN: 008123475 Place: Hazira	**Subrat Tripathy** [Director] DIN: 06890393 Place: Ahmedabad
Manoj Chanduka [Company Secretary] Place: Ahmedabad	**Rakesh Shah** [Chief Financial Officer] Place: Hazira

Date: May 03, 2021