

**Adani Kandla Bulk Terminal  
Private Limited**

**Financial Statements - FY - 2020-21**

**INDEPENDENT AUDITOR'S REPORT**  
**To the Members of Adani Kandla Bulk Terminal Private Limited**  
**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Adani Kandla Bulk Terminal 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 Changes in Equity and the Statement of Cash Flows 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 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 loss total comprehensive loss, the changes in equity, and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to Note 32 to the financial statements regarding the management's impairment assessment of property, plant and equipment of Rs. 1,067.16 lacs and intangible assets of Rs. 72,828.98 lacs, as at March 31, 2021 being considered recoverable based on the future operational plans and cashflows wherein the projections are made based on various judgements and estimates related to cargo traffic, port tariffs, inflation, discount rates and implications expected to arise from COVID-19 pandemic, wherein the actuals could vary. Accordingly, for the reasons stated therein in the said Note, no provision towards impairment of carrying values of aforesaid property, plant and equipment and intangible assets is considered necessary at this stage.

Our opinion is not modified in respect of this matter.

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

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

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

## **Management's Responsibility for the Financial Statements**

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

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

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

## **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 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 / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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:21106189AAAEG4729)

Place: Ahmedabad  
Date: May 03, 2021

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF ADANI KANDLA BULK TERMINAL 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 Kandla Bulk Terminal Private Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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: 21106189AAAEG4729)

Place: Ahmedabad  
Date: May 03, 2021

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF ADANI KANDLA BULK TERMINAL PRIVATE LIMITED  
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' 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, the Company has developed coal handling terminal under a Concession Agreement for a period of 30 years and are presented as intangible assets in accordance with the applicable Ind AS. The Company does not have any immovable properties of acquired freehold land / building. In respect of immovable properties of land that have been taken on lease and disclosed as Right of Use Assets in the financial statements, the lease agreements are in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. 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) The Company has not granted any loans, made investments or provided guarantees to which provisions of Section 185 or Section 186 of the Companies Act, 2013 apply and hence, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 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) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Port services. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



- (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 Services 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 Services 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) There no dues of Income Tax, Service Tax, Goods and Services 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, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures as at the reporting date. Hence reporting under clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet, monies raised by way of term loans have been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year.
- (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 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures 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, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

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

**Kartikeya Raval**  
(Partner)  
(Membership No. 106189)  
(UDIN: 21106189AAAAEG4729)

Place: Ahmedabad  
Date: May 03, 2021

## Balance Sheet as at March 31, 2021

(₹ in Lacs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3(a)	1,067.16	1,201.09
Right of use assets	3(b)	1,381.68	1,446.70
Intangible Assets	3(a)	72,634.76	77,822.71
Intangible Assets under Development		194.22	97.69
<b>Financial Assets</b>			
Other Financial Assets	4	91.46	71.07
Other Non-Current Assets	5	2,378.87	2,458.58
		<b>77,748.15</b>	<b>83,097.84</b>
<b>Current Assets</b>			
Inventories	6	905.62	869.76
<b>Financial Assets</b>			
(i) Trade Receivables	7	1,469.57	4,208.98
(ii) Cash and Cash Equivalents	8	12.12	1,450.59
(iii) Other Financial Assets	4	9.00	20.20
Other Current Assets	5	3,693.30	4,072.69
		<b>6,089.61</b>	<b>10,622.22</b>
<b>Total Assets</b>		<b>83,837.76</b>	<b>93,720.06</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	9	12,005.00	12,005.00
Other Equity	10	(39,984.69)	(57,160.33)
<b>Total Equity</b>		<b>(27,979.69)</b>	<b>(45,155.33)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	11	1,02,075.64	1,23,461.64
(ii) Other Financial Liabilities	12	1,427.91	1,510.36
Provisions	15	29.74	-
		<b>1,03,533.29</b>	<b>1,24,972.00</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade and Other Payables			
a) Total outstanding dues of micro enterprises and small enterprises; and	13	27.80	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	3,046.30	4,088.44
(ii) Other Financial Liabilities	12	4,546.44	8,160.83
Other Current Liabilities	14	619.85	1,587.70
Provisions	15	43.77	66.42
		<b>8,284.16</b>	<b>13,903.39</b>
<b>Total Liabilities</b>		<b>1,11,817.45</b>	<b>1,38,875.39</b>
<b>Total Equity and Liabilities</b>		<b>83,837.76</b>	<b>93,720.06</b>

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

**For and on behalf of the Board of Directors**

**Kartikeya Raval**  
Partner

**Subrat Tripathy**  
Director  
DIN: 06890393  
Place: Ahmedabad

**Unmesh Abhyankar**  
Director  
DIN : 03040812  
Place: Ahmedabad

**Anand Singhal**  
Chief Financial Officer  
Place: Mundra

**Vismay Shah**  
Company Secretary  
Place: Ahmedabad

Place: Ahmedabad  
Date: May 03, 2021

Date: May 03, 2021

## 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
<b>INCOME</b>			
Revenue from Operations	16	17,011.16	16,346.94
Other Income	17	125.74	39.95
<b>Total Income</b>		<b>17,136.90</b>	<b>16,386.89</b>
<b>EXPENSES</b>			
Terminal Royalty Expense		5,436.12	4,383.09
Operating Expenses	18	7,724.59	8,168.84
Employee Benefits Expense	19	529.28	458.72
Finance Costs			
- Interest and Bank Charges	20	4,844.73	8,870.28
Depreciation and Amortization Expense	3	5,673.02	5,793.31
Other Expenses	21	755.08	1,336.33
<b>Total Expenses</b>		<b>24,962.82</b>	<b>29,010.57</b>
<b>(Loss) before tax</b>		<b>(7,825.92)</b>	<b>(12,623.68)</b>
<b>Tax expense:</b>			
Deferred Tax	22	-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>(Loss) for the Year</b>	(A)	<b>(7,825.92)</b>	<b>(12,623.68)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement (Loss) on defined benefit plans		1.56	(8.30)
<b>Total Other Comprehensive Income (net of tax)</b>	(B)	<b>1.56</b>	<b>(8.30)</b>
<b>Total Comprehensive Income for the year (net of tax)</b>	(A)+(B)	<b>(7,824.36)</b>	<b>(12,631.98)</b>
<b>Earnings per share (Face value of ₹ 10 each )</b>			
<b>Basic and Diluted (in ₹)</b>	23	<b>(6.52)</b>	<b>(10.52)</b>

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

**For and on behalf of the Board of Directors**

**Kartikeya Raval**  
Partner

**Subrat Tripathy**  
Director  
DIN: 06890393  
Place: Ahmedabad

**Unmesh Abhyankar**  
Director  
DIN : 03040812  
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**Anand Singhal**  
Chief Financial Officer  
Place: Mundra

**Vismay Shah**  
Company Secretary  
Place: Ahmedabad

Place: Ahmedabad  
Date: May 03, 2021

Date: May 03, 2021

## Statement of Changes in Equity for the year ended March 31, 2021

₹ in Lacs

Particulars	Equity Share Capital	Other Equity		Total
		Perpetual Debt	Reserve and Surplus Retained Earning	
<b>Balance as at April 01, 2019</b>	<b>12,005.00</b>	-	<b>(44,528.35)</b>	<b>(32,523.35)</b>
(Loss) for the Year	-	-	(12,623.68)	(12,623.68)
Other Comprehensive Income for the year	-	-	(8.30)	(8.30)
<b>Total Comprehensive Income for the year</b>	-	-	<b>(12,631.98)</b>	<b>(12,631.98)</b>
<b>Balance as at March 31, 2020</b>	<b>12,005.00</b>	-	<b>(57,160.33)</b>	<b>(45,155.33)</b>
(Loss) for the Year	-	-	(7,825.92)	(7,825.92)
<b>Other Comprehensive income</b>				
Other Comprehensive Income for the year	-	-	1.56	1.56
<b>Total Comprehensive Income for the year</b>	-	-	<b>(7,824.36)</b>	<b>(7,824.36)</b>
Perpetual debt addition during the year		25,000.00		<b>25,000.00</b>
<b>Balance as at March 31, 2021</b>	<b>12,005.00</b>	<b>25,000.00</b>	<b>(64,984.69)</b>	<b>(27,979.69)</b>

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

**For and on behalf of the Board of Directors**

**Kartikeya Raval**  
Partner

**Subrat Tripathy**  
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DIN: 06890393  
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**Anand Singhal**  
Chief Financial Officer  
Place: Mundra

**Vismay Shah**  
Company Secretary  
Place: Ahmedabad

Place: Ahmedabad

**Date: May 03, 2021**

**Date: May 03, 2021**

## Statement of Cash Flows for the year ended March 31, 2021

Particulars	₹ in Lacs	
	for the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash Flows from Operating Activities</b>		
<b>(Loss) before Tax</b>	(7,825.92)	(12,623.68)
Adjustments for:		
Loss on sale/Discard of Property, Plant and Equipment	5.90	3.97
Loss on Foreign Exchange Variation (net)	(2.68)	0.56
Depreciation and Amortisation Expense	5,673.02	5,793.31
Interest Income	(60.07)	(39.95)
Finance Cost	4,844.73	8,870.28
Allowances for expected credit losses	-	102.86
<b>Operating Profit before Working Capital Changes</b>	<b>2,634.98</b>	<b>2,107.35</b>
Adjustments for:		
Decrease/(Increase) in Trade Receivables	2,739.41	(1,513.41)
(Increase)/Decrease in Inventories	(35.86)	28.45
(Increase) in Financial Assets	(10.08)	(11.91)
Decrease in Other Assets	342.09	577.89
(Decrease)/Increase in Trade and Other Payables	(1,011.66)	1,853.95
(Decrease)/Increase in Other Liabilities	(967.85)	535.04
Increase in Provisions	8.65	25.46
(Decrease) in Other Financial Liabilities	(0.66)	-
<b>Cash Generated from Operations</b>	<b>3,699.02</b>	<b>3,602.82</b>
Direct taxes refund/(paid) (net of refunds)	91.14	(407.84)
<b>Net Cash generated from Operating Activities</b>	<b>3,790.16</b>	<b>3,194.98</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment and Intangible Assets (including Capital Work-in-Progress, Intangible Asset under development, Capital Advance & Capital Creditors)	(530.85)	(1,166.24)
Interest received	60.96	39.06
<b>Net Cash generated (used in) / generated from Investing Activities</b>	<b>(469.89)</b>	<b>(1,127.18)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from Inter-corporate Deposit	51,684.00	8,500.00
Repayment of Inter-corporate Deposit	(48,070.00)	(1,500.79)
Repayment of principal portion of lease liabilities	(27.89)	(25.94)
Finance Cost paid	(8,344.85)	(7,890.67)
<b>Net Cash (used in) Financing Activities</b>	<b>(4,758.74)</b>	<b>(917.40)</b>
<b>D. Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>(1,438.47)</b>	<b>1,150.40</b>
<b>E. Cash and Cash Equivalents at the beginning of the year</b>	<b>1,450.59</b>	<b>300.19</b>
<b>F. Cash and Cash Equivalents at the end of the year</b>	<b>12.12</b>	<b>1,450.59</b>

Summary of significant accounting policies refer note 2.2

- The Statement of Cash flows has been prepared under the Indirect method as set out in Ind AS 7 – 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).
- 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 12(c).

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 the Board of Directors**

**Subrat Tripathy**  
Director  
DIN: 06890393  
Place: Ahmedabad

**Anand Singhal**  
Chief Financial Officer  
Place: Mundra

Date: May 03, 2021

**Unmesh Abhyankar**  
Director  
DIN : 03040812  
Place: Ahmedabad

**Vismay Shah**  
Company Secretary  
Place: Ahmedabad

**1 Corporate information**

Adani Kandla Bulk Terminal Private Limited ("AKBTPL") (the "Company") was incorporated on March 7, 2012. AKBTPL is a special purpose Company promoted by Adani Ports and Special Economic Zone Limited. The Company is formed for developing a Dry Bulk Terminal Off Tekra near Tuna outside Kandla Creek at Kandla Port ("Project") on Build, Operate and Transfer ("BOT") basis for a period of 30 years. The registered office of the Company is located at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat. AKBTPL has been awarded Letter of Award dated February 23, 2012 for the Project from the Deendayal Port Trust. The Company has entered Concession Agreement on June 27, 2012 with Deendayal Port Trust. Subsequently, Company has received award of concession by Deendayal Port Trust on December 19, 2012. The Company has commenced commercial operation from March 17, 2015.

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**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

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).
- 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.

In addition, the financial statements are presented in INR and all values are rounded to the nearest lacs with two decimal point except when otherwise indicated.

**2.2 Summary of significant accounting policies****a)****Current versus non-current classification**

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

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax liabilities are classified as non-current liabilities.

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

**b) Foreign Currency Translation****(i) 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.

**(ii) Conversion**

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

Non-monetary items which are carried at historical cost denominated in foreign currency are reported using exchange rate at the date of transaction. Non-monetary items which are measured at fair value denominated in foreign currency are translated using exchange rate at the date when fair value is determined.

**(iii) Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

**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.

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

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

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

## Notes to Financial Statements for the year ended March 31, 2021

At each reporting date, the Company analyse 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 on a yearly basis.

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

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

-Financial instruments (including those carried at amortised cost) (refer note 28.1)

**d) Revenue Recognition**

**(i) Revenue from contract with customer**

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

**(ii) Service concession arrangements (Ind AS 115)**

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

**(iii) Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where applicable, to the net carrying amount of the financial asset. Interest income is included under the head 'Other income' in the statement of profit and loss.

**(iv) Income from SEIS**

Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 on some of the port services income are recognised as 'Other operating income' provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licenses are recognised as 'other assets'.

**(v) Port Operation Services**

Revenue from port operation services including cargo handling, storage are recognised in the accounting period in which the services 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 expect standalone selling price.

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

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

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

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

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

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

**f) Property, plant and equipment (PPE)**

Property, Plant and Equipment 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 recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit & loss as incurred.

Borrowing cost relating to acquisition / construction of property, plant and equipment which take substantial period of time to get ready for its intended use are also included 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. The Identified component of property, plant and equipments 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.

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

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



**g) Port concession rights arising from Service Concession/Sub-Concession Arrangements:**

The Company recognises port concession rights as "Intangible Assets" arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Company as part of the service concession arrangement. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction service delivered) and is capitalised when the project is complete in all respects and the Company receives the completion certificate from the authorities as specified in the concession agreement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with Appendix C of Ind AS 115 'Service Concession Arrangements'. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

The period of port concession arrangements is 30 years.

**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, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit & loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

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 & loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets, other than port concession rights, is as follows:

Intangible Assets	Method of Amortisation	Estimated Useful life
Software applications	on straight line basis	5 Years based on management estimate

**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 has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

**The Company as a lessee**

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

**i) Right-of-use assets**

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

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 (i) 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 or 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.

**i) Impairment of non-financial assets**

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

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

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

Impairment losses including write down on inventories, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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

**m) Provisions, contingent liabilities, contingent assets and commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of the provisions to be reimbursed, for example, under an Insurance contract, the reimbursement is recognised as separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Contingent assets are disclosed where inflow of economic benefits is probable.

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

**Contingent liabilities**

Contingent liabilities is disclosed in the case of :

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

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

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

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

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

**n) Employees benefits**

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

**Provident fund**

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

**Gratuity fund**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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. Past service cost is recognised in the statement of profit and loss in the period of plan amendment.

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 under employee benefit 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

**Compensated absences**

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

Termination Benefits, if any, are recognised as an expense as and when incurred.

**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 four categories:

- Debt instruments at amortised cost

- Derivatives 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 statement of profit & loss. The losses arising from impairment are recognised in the statement of profit & loss. This category generally applies to trade and other receivables.

**Derecognition**

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

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

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

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

**Impairment of financial assets**

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

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

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Leases

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

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

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

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

**Financial assets measured as at amortised cost, :**

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

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**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 bank overdrafts and derivative financial instruments.

**Subsequent measurement**

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

**Financial liabilities at fair value through profit 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 the statement of profit & 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 recognised 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 & loss. The Company has not designated any financial liability as at FVTPL.

**Loans and borrowings**

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

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

This category generally applies to borrowings.

**Derecognition**

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

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

**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 net profit or loss for the period attributable to equity shareholders (after deducting preference share dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

**s) New Standards, interpretations and amendments 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 immediately preceding the change;
- (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.

**2.3 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.

**Judgements**

In the process of applying the Company's accounting policies, Management has made the following judgement, which has the most significant effect on the financial statements.

- 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 5 (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.

**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 for the remaining period of concession agreement 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. The management of the Company has concluded that provision for impairment of Property, Plant & equipments and Intangible assets are not required to be made. Refer note 32 for further disclosures.

**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 22.

**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 24.

**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.

**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 DPT.

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

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

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## Note 3 (a) - Property, plant and equipment

₹ In lacs

Particulars	Tangible assets						Intangible assets		
	Computer Hardware	Office Equipments	Plant & Machinery (Wind Mill)	Furniture & Fixtures	Vehicles	Total - Tangible Assets	Software	Intangible Assets/Port Infra Rights	Total - Intangible Assets
<b>Cost</b>									
As at April 1, 2019	226.75	377.93	1,130.20	109.01	104.81	1,948.70	74.85	1,03,926.74	1,04,001.59
Additions	25.94	11.41		-	-	37.35	-	1,298.29	1,298.29
Deductions/Adjustment						-		(5.66)	(5.66)
<b>As at March 31, 2020</b>	<b>252.69</b>	<b>389.34</b>	<b>1,130.20</b>	<b>109.01</b>	<b>104.81</b>	<b>1,986.05</b>	<b>74.85</b>	<b>1,05,219.37</b>	<b>1,05,294.22</b>
Additions	11.93	5.11			6.58	23.62	12.14	257.67	269.81
Deductions/Adjustment		(3.08)			(9.45)	(12.53)		(5.63)	(5.63)
<b>As at March 31, 2021</b>	<b>264.62</b>	<b>391.37</b>	<b>1,130.20</b>	<b>109.01</b>	<b>101.94</b>	<b>1,997.14</b>	<b>86.99</b>	<b>1,05,471.41</b>	<b>1,05,558.40</b>
<b>Depreciation/amortisation</b>									
As at April 1, 2019	140.46	247.41	119.11	41.73	42.08	590.79	31.91	21,907.16	21,939.07
Depreciation for the year	40.05	71.04	58.98	11.12	12.98	194.17	14.31	5,519.82	5,534.13
Deductions/(Adjustment)						-		(1.69)	(1.69)
<b>As at March 31, 2020</b>	<b>180.51</b>	<b>318.45</b>	<b>178.09</b>	<b>52.85</b>	<b>55.06</b>	<b>784.96</b>	<b>46.22</b>	<b>27,425.29</b>	<b>27,471.51</b>
Depreciation for the year	41.14	29.67	58.98	11.12	12.96	153.87	9.86	5,444.26	5,454.12
Deductions/(Adjustment)		(3.00)			(5.85)	(8.85)		(1.99)	(1.99)
<b>As at March 31, 2021</b>	<b>221.65</b>	<b>345.12</b>	<b>237.07</b>	<b>63.97</b>	<b>62.17</b>	<b>929.98</b>	<b>56.08</b>	<b>32,867.56</b>	<b>32,923.64</b>
<b>Net Block</b>									
As at March 31, 2020	72.18	70.89	952.11	56.16	49.75	1,201.09	28.63	77,794.08	77,822.71
As at March 31, 2021	42.97	46.25	893.13	45.04	39.77	1,067.16	30.91	72,603.85	72,634.76

## Notes:

- (i) Refer note 32 for impairment evaluation of property, plant & equipment and intangible assets.  
(ii) Refer footnote to note 11 for charges created on property, plant & equipment.

## Note 3 (b) - Right of use assets

₹ in Lacs

Particulars	Land
<b>Gross Block</b>	
Recognition on Initial application of Ind As 116 as at April 01, 2019	1,511.72
<b>As at March 31, 2020</b>	<b>1,511.72</b>
<b>As at March 31, 2021</b>	<b>1,511.72</b>
<b>Accumulated Depreciation</b>	
As at April 01, 2019	-
Depreciation for the year	65.02
<b>As at March 31, 2020</b>	<b>65.02</b>
Depreciation for the year	65.02
<b>As at March 31, 2021</b>	<b>130.04</b>
<b>Net Block</b>	
As at March 31, 2020	1,446.70
As at March 31, 2021	1,381.68

**4 Other Financial assets****Non-current**

Security and other deposits (Unsecured and Considered Good)

**Current**

Security and other deposits (Unsecured and Considered Good)

Interest accrued on Advances given

Loans to Employees

	March 31, 2021 ₹ In Lacs	March 31, 2020 ₹ In Lacs
Security and other deposits (Unsecured and Considered Good)	91.46	71.07
	<b>91.46</b>	<b>71.07</b>
Security and other deposits (Unsecured and Considered Good)	0.83	13.04
Interest accrued on Advances given	-	0.89
Loans to Employees	8.17	6.27
	<b>9.00</b>	<b>20.20</b>

**5 Other Assets****Non-Current**

Capital Advances (Unsecured, considered Good)

Prepaid Expenses

Export benefit receivable (also refer note 2.2 (d) &amp; 5 (b) below)

Balance with Government Authorities

Taxes Recoverable (refer note 22)

**Current**

Advance to suppliers

Prepaid Expenses

Contract Assets (refer note below)

Balance with Government Authorities

	March 31, 2021 ₹ In Lacs	March 31, 2020 ₹ In Lacs
Capital Advances (Unsecured, considered Good)	-	25.87
Prepaid Expenses	27.50	29.12
Export benefit receivable (also refer note 2.2 (d) & 5 (b) below)	1,020.04	1,020.04
Balance with Government Authorities	438.92	400.00
Taxes Recoverable (refer note 22)	892.41	983.55
	<b>2,378.87</b>	<b>2,458.58</b>
Advance to suppliers	226.53	188.59
Prepaid Expenses	403.08	398.73
Contract Assets (refer note below)	1.68	43.29
Balance with Government Authorities	3,062.01	3,442.08
	<b>3,693.30</b>	<b>4,072.69</b>

**Notes:**

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

(b) 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 ₹ 1,020.04 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 ₹ 1,020.04 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.

**6 Inventories****(At lower of cost and Net realisable Value)**

Stores and spares

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Stores and spares	905.62	869.76
	<b>905.62</b>	<b>869.76</b>

**7 Trade Receivables**

Unsecured, Considered Good

- from Related Parties (refer note 26)

- from Others

Credit impaired

Less: Allowances for expected credit losses

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Unsecured, Considered Good		
- from Related Parties (refer note 26)	641.53	2,260.99
- from Others	828.04	1,947.99
Credit impaired	47.76	102.86
	1,517.33	4,311.84
Less: Allowances for expected credit losses	(47.76)	(102.86)
	<b>1,469.57</b>	<b>4,208.98</b>

**Notes:**

- a) No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.
- b) Generally, as per credit terms trade receivable are collectable within 30-60 days although the Company provide extended credit period considering business and commercial necessity to the customers including related parties.

**8 Cash and cash equivalents****Balances with banks:**

Balance in current account

Deposits with original maturity of less than three months

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Balance in current account	12.12	75.59
Deposits with original maturity of less than three months	-	1,375.00
	<b>12.12</b>	<b>1,450.59</b>

**9 Equity Share Capital**

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
<b>Authorised Shares Capital</b>		
12,05,00,000 Equity Shares of ₹ 10 each (previous year 12,05,00,000 Equity Shares of ₹ 10 each )	12,050.00	12,050.00
	<b>12,050.00</b>	<b>12,050.00</b>
<b>Issued, subscribed and fully paid up share capital</b>		
12,00,50,000 Equity Shares of ₹ 10 each (previous year 12,00,50,000 Equity Shares of ₹ 10 each )	12,005.00	12,005.00
	<b>12,005.00</b>	<b>12,005.00</b>

**Notes:****(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

	March 31, 2021		March 31, 2020	
	No	₹ in Lacs	No	₹ in Lacs
At the beginning of the year	12,00,50,000	12,005.00	12,00,50,000	12,005.00
Add: New shares issued during the year	-	-	-	-
Outstanding at the end of the year	<b>12,00,50,000</b>	<b>12,005.00</b>	<b>12,00,50,000</b>	<b>12,005.00</b>

**(b) Terms/rights attached to equity shares:**

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

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

**(c) Shares held by parent company**

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

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
<b>Adani Ports and Special Economic Zone Limited, the parent company and its nominees</b>		
12,00,50,000 equity share (Previous year 12,00,50,000 equity share) of ₹ 10 each	12,005.00	12,005.00

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

Particulars	March 31, 2021		March 31, 2020	
	No in Lacs	%	No in Lacs	%
Adani Ports and Special Economic Zone Limited, the parent company and its nominees (Refer note below)	1,200.50	100.00%	1,200.50	100.00%

During the year ended March 31, 2017, 3,12,13,000 numbers of equity shares of the Company held by Adani Enterprise Limited (AEL) has been transferred by AEL (Seller) to Adani Ports & Special Economic Zone Limited (Buyer). As per the Management, the transfer of shares has been recorded based on Irrevocable Letter of Affirmation dated March 31, 2017 from the Seller and acceptance by the Buyer, although legal transfer of such equity share is still in process.

**10 Other Equity**

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
<b>Retained Earnings</b>		
Opening Balance	(57,160.33)	(44,528.35)
Add:(Loss) for the year	(7,825.92)	(12,623.68)
Other Comprehensive Income for the year	1.56	(8.30)
Closing Balance	<b>(64,984.69)</b>	<b>(57,160.33)</b>

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

**Perpetual Debt**

Opening Balance	-	-
changes during the year	25,000.00	-
Closing Balance	<b>25,000.00</b>	-

**Note:** This loan is perpetual in nature with no fixed maturity or redemption period and is payable only at the option of the company. This loan carries coupon of upto 7.50 % but payable only at the option of the Company. As this loan is perpetual in nature and the Company does not have any redemption obligation, hence it's classified as equity.

<b>(39,984.69)</b>	<b>(57,160.33)</b>
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**11 Borrowings**

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
<b>A. Long-Term Borrowings</b>		
Inter Corporate Deposit from related party (Secured) (refer note a & c)	80,000.00	1,05,000.00
Inter Corporate Deposit from related party (Unsecured) (refer note b & c)	22,075.64	18,461.64
<b>Total Long-Term Borrowing</b>	<b>1,02,075.64</b>	<b>1,23,461.64</b>



**The above amount includes**

Secured borrowings	80,000.00	1,05,000.00
Unsecured borrowings	22,075.64	18,461.64
<b>Total borrowings</b>	<b>1,02,075.64</b>	<b>1,23,461.64</b>

**Notes:**

(a) Inter corporate deposit of ₹ 80,000.00 lacs (previous year ₹ 1,05,000.00 lacs) received from Adani Ports and Special Economic Zone Limited, the parent company are secured by way of first pari passu charge of all the immovable assets of the Company, both present and future and are further secured by hypothecation of movable assets, both present and future of the Company. Charge on all the assets has been created through agreement in favour of Adani Ports and Special Economic Zone Limited. The outstanding balance as on March 31, 2021 will be repayable in November, 2029.

(b) Inter corporate deposit of ₹ 2,075.64 lacs (previous year ₹ 18,461.64 lacs) from Adani Ports and Special Economic Zone Limited, the parent company is unsecured. From total outstanding of ₹ 2,075.64 lacs, ICD to the extent of ₹ 2,000.75 lacs is repayable by July, 2025 and remaining ₹ 74.88 lacs is repayable by March, 2023.

(c) Inter corporate deposit is received from Adani Ports and Special Economic Zone Limited, the parent company, at the interest rate of 7.50% p.a.

(d) Inter corporate deposit of ₹ 20,000.00 lacs (previous year ₹ Nil) from Adani Hazira Port Pvt.Ltd. is unsecured at the interest rate of 7.50% p.a. repayable by July, 2025.

(e) During the current year ended March 31, 2021 the Company has received waiver of 50% Interest amount from the lender for interest payment due during the year.

(f) for the year ended March 31, 2021, Inter corporate deposit from Adani Ports & Special Economic Zone Limited to the extent of ₹ 25,000 lacs has been converted to perpetual loan.

**12 Other financial liabilities****Non-Current**

Lease liabilities (refer note (a) & (b) below)  
Capital creditors

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Lease liabilities (refer note (a) & (b) below)	1,427.91	1,457.89
Capital creditors	-	52.47
	<b>1,427.91</b>	<b>1,510.36</b>

**Current**

Interest accrued but not due on borrowings (refer note 26)  
Deposits from customers  
Capital creditors, retention money and other payable  
Lease liabilities (refer note (a) & (b) below)

Interest accrued but not due on borrowings (refer note 26)	4,386.38	7,886.50
Deposits from customers	0.11	0.77
Capital creditors, retention money and other payable	129.97	245.67
Lease liabilities (refer note (a) & (b) below)	29.98	27.89
	<b>4,546.44</b>	<b>8,160.83</b>

**Note: (a)** land has been taken on lease by the Company. The lease rent terms are for the period of 27 years as per the concession agreement with Deendayal Port Trust. Such lease is renewable by mutual consent. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total minimum lease payments	Present Value of minimum lease payments	Total minimum lease payments	Present Value of minimum lease payments
	Within one year	129.60	29.98	129.60
After one year but not later than five years	518.40	144.14	518.40	134.09
More than five years	2,105.98	1,283.77	2,332.78	1,323.80
<b>Total minimum lease payments</b>	<b>2,753.98</b>	<b>1,457.89</b>	<b>2,980.78</b>	<b>1,485.78</b>
Less: Amounts representing finance charges	(1,296.09)		(1,495.00)	
<b>Present value of minimum lease payments</b>	<b>1,457.89</b>	<b>1,457.89</b>	<b>1,485.78</b>	<b>1,485.78</b>

**(c) Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 - Statement of Cash flows is presented as below :**

The disclosure requires entities to provide details of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses) is as under:

**Changes in liabilities arising from financing activities**

Particulars	₹ in Lacs				
	April 1, 2020	other changes	Cash Flows	Finance Cost for the year	March 31, 2021
Long-term Borrowings	1,23,461.64	(25,000.00)	3,614.00	-	1,02,075.64
Interest accrued	7,886.50	-	(8,344.85)	4,844.73	4,386.38
Lease Liabilities	1,485.78	-	(27.89)	-	1,457.89
<b>Total</b>	<b>1,32,833.92</b>		<b>(4,758.74)</b>	<b>4,844.73</b>	<b>1,07,919.91</b>

₹ in Lacs					
Particulars	April 1, 2019	Adjustment due to adoption of Ind As 116 -	Cash Flows	Finance Cost for the year	March 31, 2020
Long-term Borrowings	1,16,462.43	-	6,999.21	-	1,23,461.64
Interest accrued	6,906.89	-	(7,890.67)	8,870.28	7,886.50
Lease Liabilities	-	1,511.72	(25.94)	-	1,485.78
<b>Total</b>	<b>1,23,369.32</b>	<b>1,511.72</b>	<b>(917.40)</b>	<b>8,870.28</b>	<b>1,32,833.92</b>
<b>13 Trade and Other Payables</b>					
				<b>March 31, 2021</b>	<b>March 31, 2020</b>
				₹ in Lacs	₹ in Lacs
Total outstanding dues of micro enterprises and small enterprises (refer note 29)				27.80	-
Total outstanding dues of creditors other than micro enterprises and small enterprises				3,046.30	4,088.44
				<b>3,074.10</b>	<b>4,088.44</b>
Dues to related parties included in above (refer note 26)				500.63	1,787.70
<b>14 Other Liabilities</b>					
				<b>March 31, 2021</b>	<b>March 31, 2020</b>
				₹ in Lacs	₹ in Lacs
<b>Current</b>					
Statutory liabilities				6.06	368.19
Contract Liabilities (refer note below)				613.79	1,219.51
				<b>619.85</b>	<b>1,587.70</b>
<b>Note:</b> Contract liabilities includes advances received to deliver Port Operation Services and as well as transaction price allocated to unsatisfied performance obligation in respect of Cargo Handling services.					
<b>15 Provisions</b>					
				<b>March 31, 2021</b>	<b>March 31, 2020</b>
				₹ in Lacs	₹ in Lacs
<b>Non-current</b>					
Provision for gratuity (refer note 24)				29.74	-
				<b>29.74</b>	<b>-</b>
<b>Current</b>					
Provision for gratuity (refer note 24)				-	25.01
Provision for compensated absences				43.77	41.41
				<b>43.77</b>	<b>66.42</b>
<b>16 Revenue from Operations</b>					
				<b>March 31, 2021</b>	<b>March 31, 2020</b>
				₹ in Lacs	₹ in Lacs
Revenue from contracts with Customers (Refer note below)				17,011.16	15,050.14
Income from Export Incentive (Service Export from India Scheme) (refer note - 2.2 (d))				-	1,296.80
				<b>17,011.16</b>	<b>16,346.94</b>
<b>a) Reconciliation of revenue recognised with contract price:</b>					
<b>Particulars</b>					
<b>Contract Price</b>				17,237.05	15,603.64
Adjustment for:					
Refund Liability				(790.00)	(232.56)
Change in value of Contract Assets				(41.61)	(2.51)
Change in value of Contract Liabilities				605.72	(318.43)
<b>Revenue from Contract with Customers</b>				<b>17,011.16</b>	<b>15,050.14</b>
<b>17 Other Income</b>					
				<b>March 31, 2021</b>	<b>March 31, 2020</b>
				₹ in Lacs	₹ in Lacs
<b>Interest Income from</b>					
(i) Bank Deposits				1.20	38.29
(ii) Income tax refund				58.87	1.66
Scrap sale				54.57	-
Miscellaneous Income				11.10	-
				<b>125.74</b>	<b>39.95</b>
<b>18 Operating Expenses</b>					
				<b>March 31, 2021</b>	<b>March 31, 2020</b>
				₹ in Lacs	₹ in Lacs
Cargo handling / other charges to Sub-Contractors				4,661.18	4,596.33
Maintenance Dredging				203.30	1,300.06
Other expenses including customs establishment charges				98.74	51.70
Store and Spares consumed				1,033.83	590.92
Power and Fuel (net of credit from Wind Power Generation ₹ 260.25 Lacs (previous year ₹ 298.71 Lacs))				927.54	829.83
Waterfront Charges				800.00	800.00
				<b>7,724.59</b>	<b>8,168.84</b>

**19 Employee Benefits Expense**

Salaries, Wages and Bonus
Contribution to Provident and Other Funds
Gratuity Expense (refer note 24)
Staff Welfare Expenses

March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
464.42	397.53
21.32	19.90
10.27	8.84
33.27	32.45
<b>529.28</b>	<b>458.72</b>

**20 Finance Costs****Interest and Bank Charges**

Interest on
- Inter corporate Deposit
- Interest accrued on lease liabilities
- Others
Bank and other finance charges

March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
4,742.04	8,762.78
101.71	103.66
-	1.97
0.98	1.87
<b>4,844.73</b>	<b>8,870.28</b>

**21 Other Expenses**

Rent Expense
Rates and Taxes
Insurance
Advertisement and Publicity
Other Repairs and Maintenance (net of reimbursement)
Corporate support service fee
Legal and Professional Expenses
Payment to Auditors (refer note below)
Communication Expenses
Electric Power Expenses
Office Expenses
Travelling and Conveyance
Directors Sitting Fees
Charity & Donations
(Gain)/Loss on Foreign Exchange Variation (net)
Loss on sale/Discard of Property, Plant and Equipment
Allowances for expected credit losses
Security Expenses
Miscellaneous Expenses

March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
-	31.45
0.33	5.02
13.47	78.09
0.03	0.68
50.70	267.97
51.93	56.47
85.27	271.54
10.92	10.65
16.97	10.12
1.24	1.69
158.54	116.31
165.31	173.97
1.56	1.56
5.00	2.90
(2.68)	0.56
5.90	3.97
-	102.86
148.06	151.79
42.53	48.73
<b>755.08</b>	<b>1,336.33</b>

**Note: Payment to Auditor****As Auditor:**

Audit fee
Limited review

**In other Capacity:**

Certification Fees
Reimbursement of expenses

March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
5.38	6.50
4.62	3.50
0.65	0.65
0.27	-
<b>10.92</b>	<b>10.65</b>

**22 Income Tax**

The major components of income tax expenses for the year ended March 31, 2021 and March 31, 2020 are as under.

**a) Profit and Loss Section****Current income tax:**

Current tax charge
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**Deferred tax:**

Relating to origination and reversal of temporary differences
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March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
-	-
-	-
-	-

**Tax Expense reported in the Statement of Profit and Loss (a)**

-	-
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**Other Comprehensive Income ('OCI') Section**

Deferred tax related to Net Gain on remeasurements of defined benefit plan (b)

**Tax Expense reported in the OCI (b)**

March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
-	-
-	-

**Total Tax Expenses (a+b)**

-	-
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## Notes to Financial Statements for the year ended March 31, 2021

## b) Balance Sheet Section

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Taxes Recoverable (refer note 5)	892.41	983.55

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

	March 31, 2021		March 31, 2020	
	%	₹ in Lacs	%	₹ in Lacs
<b>Profit Before tax</b>		<b>(7,825.92)</b>		<b>(12,623.68)</b>
<b>Tax using the Company's domestic rate</b>	29.12	(2,278.91)	29.12	(3,676.01)
<b>Tax Effect of:</b>				
Effects of expenses that are not deductible in determining taxable profit	(0.01)	47.66	(0.00)	46.31
Effects of current year's unabsorbed depreciation and loss not recognised as deferred tax assets	(0.32)	2,498.62	(0.24)	3,077.03
Tax charge in respect of previous year	-	-	0.00	(5.00)
Effects of previously unrecognised and unused tax losses and unabsorbed depreciation now recognised as deferred tax assets	0.03	(267.38)	(0.04)	557.67
<b>Effective tax rate</b>	<b>0.00</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>
<b>Tax expenses as per Books</b>		<b>-</b>		<b>-</b>

## d) Deferred Tax Liability (net)

	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
Liability on Accelerated depreciation for tax purpose	(4,027.17)	(4,831.74)	804.57	(291.82)
Liability on account of Right to Use Assets	(482.81)	(505.53)	22.72	-
Asset on Lease Liability	509.45	519.19	(9.75)	-
Asset on Fair valuation of Deposits	-	-	-	0.56
Deferred tax Assets to the extent of Deferred tax Liability	4,000.54	4,818.08	(817.54)	291.26
	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>-</b>

During the year, the Company has recognised the deferred tax assets to the extent of Deferred tax liability amounting to Rs. 513.59 lacs. The deferred tax assets have been recognised on unabsorbed depreciation and carry forward losses to the extent of deferred tax liability as the Company believes that it will be able to utilise deferred tax assets against future tax liability.

## e) Reconciliation of Deferred tax liabilities (net)

	March 31, 2021 ₹ In Lacs	March 31, 2020 ₹ In Lacs
Tax income / (expenses) during the year recognised in Statement of Profit and Loss	0.00	-
Tax income / (expenses) during the year recognised in OCI	-	-
	<b>0.00</b>	<b>-</b>

## f) The Company has carried forward unabsorbed depreciation aggregating ₹ 63,797.75 lacs (previous year ₹ 57,277.81 lacs) under the Income tax Act, 1961 for which there is no expiry date of its tax credit utilisation by the Company. Further, the Company has carried forward losses aggregating to ₹ 29,394.01 lacs (previous year ₹ 28,363.09 lacs) under the Income tax Act, 1961 which gets expired within 8 years of the respective year. The carried forward losses will get expired mainly during the financial year 2022-23 to 2024-25.

Deferred tax asset has been recognised to the extent of Deferred tax Liability in respect of these unabsorbed depreciation or carried forward losses as they may not be used to offset taxable profits of the Company in future years given that Company is also eligible to avail tax deduction under section 80 IA of the Income Tax Act, 1961 in 10 years out of initial period of 15 years in which Company commence the operation and there are no other tax planning opportunities or other evidences of recoverability in the near future. If the Company was able to recognise all unrecognised deferred tax assets, the loss would have reduced by ₹ 28,564.40 lacs (previous year ₹ 25,108.27 lacs).

## 23 Earnings per share (EPS)

	March 31, 2021 ₹ in Lacs	March 31, 2020 ₹ in Lacs
(Loss) attributable to equity shareholders of the Company	(7,825.92)	(12,623.68)
Weighted average number of equity shares in calculating basic and diluted EPS	12,00,50,000	12,00,50,000
<b>Basic and Diluted earning per share (in ₹)</b>	<b>(6.52)</b>	<b>(10.52)</b>

**24 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 ₹ 20.12 lacs (previous year ₹ 18.76 lacs) as expenses under the following defined contribution plan.
- b) The Company has a defined gratuity plan (funded) and is governed by the payment of Gratuity Act, 1972. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is funded with Life Insurance Corporation of India (LIC) in form of a qualifying insurance policy for future payment of gratuity to the employees.

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

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

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

₹ in Lacs

Particulars	March 31, 2021	March 31, 2020
Present value of the defined benefit obligation at the beginning of the year	82.53	55.54
Current service cost	8.66	7.94
Interest cost	5.46	4.97
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	(1.53)	0.64
- change in financial assumptions	-	5.55
- experience variance	(0.07)	2.12
Benefits paid	(2.95)	(3.99)
Liability Transfer in	5.19	9.76
Liability Transfer out	(6.22)	-
Present value of the defined benefit obligation at the end of the year	<b>91.07</b>	<b>82.53</b>

**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	57.51	53.44
Investment income	3.85	4.07
Contributions by employer	-	-
Return on plan assets, excluding amount recognised in net interest expense	(0.03)	-
Fair value of plan assets at the end of the year	<b>61.33</b>	<b>57.51</b>

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

₹ in Lacs

Particulars	March 31, 2021	March 31, 2020
Present value of the defined benefit obligation at the end of the year	91.07	82.53
Fair value of plan assets at the end of the year	61.33	57.51
Amount recognised in the balance sheet	(29.74)	(25.02)
Net (liability)/asset - Current	(29.74)	(25.02)

**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	8.66	7.94
Interest cost/(Income) on benefit obligation/(asset)	1.61	0.90
Total Expenses included in employee benefits expense	<b>10.27</b>	<b>8.84</b>

**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	(1.53)	0.64
- change in financial assumptions	-	5.55
- experience variance	(0.07)	2.12
Return on plan assets, excluding amount recognised in net interest expense	0.03	-
<b>Recognised in other comprehensive income</b>	<b>(1.57)</b>	<b>8.31</b>

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

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 mortality table 2012-14	Indian assured mortality table 2012-14
Attrition rate	9.50%	6.71%

## Notes to Financial Statements for the year ended March 31, 2021

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	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Assumptions	Discount rate			
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(5.85)	6.58	(6.60)	7.58

Particulars	March 31, 2021		March 31, 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Assumptions	Salary Growth rate			
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	6.43	(5.84)	7.41	(6.59)

Particulars	March 31, 2021		March 31, 2020	
	50% Increase	50% Decrease	50% Increase	50% Decrease
Assumptions	Attrition rate			
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(1.85)	2.88	(1.80)	2.54

Particulars	March 31, 2021		March 31, 2020	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Assumptions	Mortality rate			
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(0.01)	0.01	*-	*-

\* Figures being nullified on conversion to ₹ in lacs.

**i) Asset-Liability Matching Strategies**

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

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).

**j) Maturity profile of Defined Benefit Obligation**

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

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

Particulars	₹ in Lacs	
	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	8.70	5.40
Between 2 and 5 years	39.24	30.13
Between 5 and 10 years	51.19	48.80
Beyond 10 years	58.11	80.29
<b>Total Expected Payments</b>	<b>157.24</b>	<b>164.62</b>

**l) Expected contribution in next year:**

- The company expects to contribute ₹ 37.99 lacs (previous year ₹ 33.65 lacs) to gratuity fund during next year.

**25 Segment information**

The Company is primarily engaged in the business of developing, operating and maintaining the port based terminal infrastructure facilities. The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. There being no business outside India, the entire business has been considered as single geographic segment.

Notes to Financial Statements for the year ended March 31, 2021

**26 Related Party Disclosures**

The Management has identified the following entities as related parties of the Company for the year ended March 31, 2021 for the purposes of reporting as per Ind AS 24 – Related Party Transactions, which are as under:

Criteria	Name of the Company
<b>A. Related parties where control exists.</b>	
<b>Parent Company</b>	Adani Ports And Special Economic Zone Limited
<b>B. Related parties with whom transactions have been taken place during the year.</b>	
<b>Fellow Subsidiary</b>	Adani Logistics Limited The Dhamra Port Company Limited Shanti Sagar International Dredging Private Limited Adani Murmugao Port Terminal Private Limited Adani Hospitals Mundra Private Limited The Adani Harbour Services Private Limited Adani Petronet (Dahej) Port Private Limited Adani Hazira Port Limited (earlier known as Hazira Port Private Limited)
<b>Entities over which major shareholders of the parent company are able to exercise control or significant influence through voting powers</b>	Adani Enterprises Limited Adani Power Mundra Limited Udupi Power Corporation Limited Adani Wilmar Limited Adani International Container Terminal Private Limited
<b>Key Managerial Personnel</b>	Mr. Jay Shah - Director (upto March 31, 2021) Mrs. Nayana Gadhvi - Director Mr. Avinash Rai - Managing Director Capt. Unmesh Abhyankar - Director Mr. Karan Adani - Director (upto August 31, 2020) Ms. Komal Majmudar - Director (from March 23, 2021) Mr. Anand Singhal- Chief Financial Officer Vismay Shah - Company Secretary

**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			
Category	Name of Related Party	March 31, 2021	March 31, 2020
Borrowings (Loan taken)	Adani Ports and Special Economic Zone Limited	51,684.00	8,500.00
Borrowings (Loan repaid)	Adani Ports and Special Economic Zone Limited	73,070.00	1,500.79
perpetual loan taken	Adani Ports and Special Economic Zone Limited	25,000.00	-
Availment of services	Adani Ports and Special Economic Zone Limited	203.30	60.00
	Adani Enterprises Limited	51.93	56.47
	Adani Power Mundra Limited	-	0.02
	Shanti Sagar International Dredging Private Limited	-	1,240.06
	Adani Hazira Port Limited	19.89	20.75
Purchase of materials	Adani Ports and Special Economic Zone Limited	1.48	6.21
	Adani Murmugao Port Terminal Private Limited	5.66	-
	Adani Petronet (Dahej) Port Private Limited	-	0.21
	Adani Hospitals Mundra Private Limited	-	3.75
Purchase of power	Adani Enterprises Limited	86.97	-
Rendering of services	Adani Ports and Special Economic Zone Limited	1,221.98	873.86
	Adani Enterprises Limited	3,564.86	2,383.57
Other Expense	Adani Logistics Limited	-	232.56
Sale of materials	Adani Ports and Special Economic Zone Limited	0.79	0.34
	Udupi Power Corporation Limited	-	4.52
	Adani International Container Terminal Private Limited	0.04	-
	The Adani Harbour Services Private Limited	0.41	-
	Adani Hazira Port Limited	0.14	-
Interest Expenses	Adani Ports and Special Economic Zone Limited	4,733.82	8,762.78
	Adani Hazira Port Limited	8.22	-
Sale of other non-financial assets	Adani Wilmar Limited	-	1,419.21
Sitting Fees	Mr. Jay H. Shah	0.78	0.78
	Ms. Nayna Gadhvi	0.78	0.78

**Note:**

During the current financial year, Adani Ports and Special Economic Zone Limited assigned loan to Adani Hazira Port Limited ₹20,000 lacs. consequentially, Adani Hazira Port Limited assumed all the rights of the said loan from Adani Ports and Special Economic Zone Limited.

₹ in Lacs			
Category	Name of Related Party	March 31, 2021	March 31, 2020
Inter corporate loan payable	Adani Ports and Special Economic Zone Limited	82,075.64	1,23,461.64
	Adani Hazira Port Limited	20,000.00	-
perpetual loan payable	Adani Ports and Special Economic Zone Limited	25,000.00	-
Trade payables	Adani Ports and Special Economic Zone Limited	238.20	68.92
	Adani Logistics Limited	246.66	244.98
	Adani Enterprises Limited	15.77	12.27
	Shanti Sagar International Dredging Private Limited	-	1,460.89
	Adani Hospitals Mundra Private Limited	-	0.64
Advance from Customer	Adani Logistics Limited	-	110.16
Interest accrued but not due	Adani Ports and Special Economic Zone Limited	4,378.78	7,886.50
Other Financial Assets	Adani Hazira Port Limited	7.60	-
	Adani International Container Terminal Private Limited	2.38	-
	Adani Logistics Limited	1.69	-
	The Dhamra Port Company Limited	-	7.33
Trade receivable	Adani Ports and Special Economic Zone Limited	-	31.28
	Adani Enterprises Limited	641.53	2,221.61
	Udupi Power Corporation Limited	-	8.10



## Notes to Financial Statements for the year ended March 31, 2021

**27 Unhedged foreign currency exposure**

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

Nature	As at March 31, 2021		As at March 31, 2020	
	Amount	Foreign Currency	Amount	Foreign Currency
	₹ in Lacs	In Million	₹ in Lacs	In Million
Advances recoverable other than in cash	5.65	EUR 0.01	4.24	EUR 0.01
Other current financial Liabilities	-	-	3.71	USD #

# Figures being nullified on conversion to foreign currency in million.

**Closing rates as at :**

	March 31, 2021	March 31, 2020
INR / USD	-	75.67
INR / EUR	85.75	82.77

**28 Financial Instruments, Fair value Measurement, Financial Risk & Capital Management****28.1 Category-wise Classification of Financial Instruments:**

Particulars	Refer Note	March 31, 2021		
		Fair Value through Profit & Loss or OCI	Amortised Cost	Carrying Value
		₹ in Lacs		
<b>Financial Asset</b>				
Trade receivables	7	-	1,469.57	1,469.57
Cash and Cash Equivalents	8	-	12.12	12.12
Others Financial Assets	4	-	100.46	100.46
<b>Total</b>		-	<b>1,582.15</b>	<b>1,582.15</b>
<b>Financial Liabilities</b>				
Borrowings	11	-	1,02,075.64	1,02,075.64
Trade Payables	13	-	3,074.10	3,074.10
Other Financial Liabilities	12	-	5,974.35	5,974.35
<b>Total</b>		-	<b>1,11,124.09</b>	<b>1,11,124.09</b>

Particulars	Refer Note	March 31, 2020		
		Fair Value through Profit & Loss or OCI	Amortised Cost	Carrying Value
		₹ in Lacs		
<b>Financial Asset</b>				
Trade receivables	7	-	4,208.98	4,208.98
Cash and Cash Equivalents	8	-	1,450.59	1,450.59
Others Financial Assets	4	-	91.27	91.27
<b>Total</b>		-	<b>5,750.84</b>	<b>5,750.84</b>
<b>Financial Liabilities</b>				
Borrowings	11	-	1,23,461.64	1,23,461.64
Trade Payables	13	-	4,088.44	4,088.44
Other Financial Liabilities	12	-	9,671.19	9,671.19
<b>Total</b>		-	<b>1,37,221.27</b>	<b>1,37,221.27</b>

**28.2 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.

**28.3 Financial Risk objective and policies**

The Company's principal financial liabilities, other than derivatives, comprises loans, borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include investment including mutual funds, trade and other receivables, and cash and cash equivalents. The Company also enters into derivative transactions.

## Notes to Financial Statements for the year ended March 31, 2021

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

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

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

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

**Market risk**

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2021. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

**Interest rate risk**

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates and period of borrowings. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not have any long-term debt obligations having floating interest rates as at year ended March 31, 2021 and March 31, 2020.

**(ii) Foreign currency risk**

Exchange rate movements, particularly the United States Dollar (USD) against Indian Rupee (INR), have an impact on the Company's operating results. The Company manages its foreign currency risk by entering into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables.

The details of unhedged exposures are given as part of Note 27.

The Company is mainly exposed to changes in USD. 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.

Particulars	₹ in Lacs	
	Impact on profit before tax	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>USD Sensitivity</b>		
RUPEES / USD – Increase by 1%	-	*
RUPEES / USD – Decrease by 1%	-	*

\* figures being nullified on conversion to ₹ in lacs

**(b) Credit risk**

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

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

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

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

## Notes to Financial Statements for the year ended March 31, 2021

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company operates the port services and related infrastructure at Kandla, the Company is significantly dependent on cargo from or to few large port user customers.

Out of total revenue, the Company earns ₹ 6,576.19 Lacs of revenue during the year ended March 31, 2021 (previous year ₹ 2,383.57 lacs) from such port user which constitute 38.66 % (previous year 15.75 %) of total revenue.

Accounts receivable from such customers approximated ₹ 1,219.93 lacs as at March 31, 2021.(previous year ₹ 2,221.60 lacs), which constitute 83.01% of total receivables (previous year 52.78%).

A loss of these customers could adversely affect the operating result or cash flow of the Company.

**(c) Liquidity risk**

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

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

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

₹ In Lacs					
Particulars	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>As at March 31, 2021</b>					
Borrowings	-	-	22,075.64	80,000.00	1,02,075.64
Interest on borrowings	-	6,155.67	30,522.36	22,010.96	58,689.00
Trade Payables	-	3,074.10	-	-	3,074.10
Other Financial Liabilities	-	259.68	518.40	2,105.98	2,884.06
<b>Total</b>	-	<b>9,489.45</b>	<b>53,116.40</b>	<b>1,04,116.94</b>	<b>1,66,722.80</b>
<b>As at March 31, 2020</b>					
Borrowings	-	-	18,461.64	1,05,000.00	1,23,461.64
Interest on borrowings	-	9,259.62	32,842.86	36,764.38	78,866.87
Trade Payables	-	4,088.44	-	-	4,088.44
Other Financial Liabilities	-	376.04	570.87	2,332.78	3,279.69
<b>Total</b>	-	<b>13,724.10</b>	<b>51,875.37</b>	<b>1,44,097.16</b>	<b>2,09,696.63</b>

**Note:**

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, ignoring the refinancing options available with the Company.

**28.4 Capital management**

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

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

₹ In Lacs		
Particulars	March 31, 2021	March 31, 2020
Total Borrowings (refer note 11)	1,02,075.64	1,23,461.64
Less: Cash and cash equivalents (refer note 8)	12.12	1,450.59
Net Debt (A)	<b>1,02,063.52</b>	<b>1,22,011.05</b>
Total Equity (B)	<b>(27,979.69)</b>	<b>(45,155.33)</b>
Total Equity and Net Debt (C = A + B)	<b>74,083.83</b>	<b>76,855.72</b>
Gearing ratio (A/C)	138%	159%

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.

## Notes to Financial Statements for the year ended March 31, 2021

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

Sr No	Particulars	₹ In Lacs	
		Year ended March 31, 2021	Year ended March 31, 2020
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. Principal Interest	80.27 -	108.34 -
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

- 30 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.
- 31 As at March 31, 2021, the Company has incurred net loss of ₹ 7,824.36 lacs (March 31, 2020 ₹ 12,631.98 lacs) and has accumulated losses of ₹ 39,984.69 lacs (March 31, 2020 ₹ 57,160.33 lacs) which has resulted in erosion of the Company's net worth. This being an infrastructure project having long gestation period, the management expects that there will be significant increase in the operations of the Company that will lead to improved cash flows and long term sustainability. Adani Ports and Special Economic Zone Limited, the Parent Company has undertaken to provide such financial support as necessary, to enable the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a 'going concern' basis.
- 32 The management has carried out detailed cash flow projections over the period of the concession agreement in determining the recoverable value of the property, plant & equipment and intangible assets comprising of service concession rights in accordance with Ind AS 36, impairment of assets. The company has received relaxation in the form of rationalisation on revenue share on storage income from the authorities in accordance with guidelines from Ministry of Shipping ("MOS"). In developing the projections, the management has considered the benefit arising from the relaxation received / expected to be received in the form of rationalisation of revenue share from storage income from Port trust in accordance with guidelines issued by MOS in financial year 2019-20. The management has made various estimates relating to cargo traffic, port tariffs, inflation, discount rates, revenue share, COVID-19 impact on income etc. which are reasonable over the entire concession period. On a careful evaluation of the aforesaid evaluation of the aforesaid factors, the management of the company has concluded that the recoverable amount of PPE & Intangible assets is higher than their carrying amount as on March 31, 2021. Hence, no provision for impairment is considered necessary at this stage. The eventual outcome of the impact of the global health pandemic as well as the actual cargo traffic and port tariffs, considering the long period, may be different from those estimated as on the date of approval of these financial statements.

## 33 Capital commitments &amp; other commitment

Particulars	₹ In Lacs	
	March 31, 2021	March 31, 2020
Capital commitments Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	523.25	76.17

## 34 Contingent liabilities not provided for

There are no contingent liabilities for the year ended March 31, 2021. (March 31, 2020: Nil)

## Note:

During the year, the company has received notice from Port Trust Authority, relating to royalty on deemed storage income for ₹ 41.40 crore. The company is in the process of requesting to extend the relief of rationalised tariff retrospectively, available under guidelines issued by Ministry of Shipping dated July 11, 2018. The company has paid an amount of ₹ 18.67 crore and provided the same in books on prudent basis and doesn't anticipate any further outflow.

**35 Standards issued but not effective:**

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

**36 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.

**For and on behalf of the Board of Directors**

**Subrat Tripathy**  
Director  
DIN: 06890393  
Place: Ahmedabad

**Unmesh Abhyankar**  
Director  
DIN : 03040812  
Place: Ahmedabad

**Anand Singhal**  
Chief Financial Officer  
Place: Mundra

**Vismay Shah**  
Company Secretary  
Place: Ahmedabad

**Date: May 03, 2021**