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In accordance with the provisions of applicable Indian regulations, only investors that are residents of Financial Action Task Force ("**FATF**") or International Organization of Securities Commission's ("**IOSCO**") compliant jurisdictions and multilateral and regional financial institutions where India is a member country are eligible to purchase the securities described in the Offering Circular. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular you shall be deemed to have represented to us that you are a resident of a FATF or an IOSCO compliant jurisdiction.

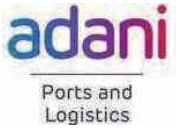
The Offering Circular has not been and will not be filed, produced or published as an offer document (whether a prospectus or a statement in lieu of a prospectus in respect of a public offer or an information memorandum or private placement offer cum application letter or any other offering material in respect of any private placement in accordance with the Companies Act, 2013, or rules framed thereunder, each as amended, or any other applicable Indian laws) with any of the Registrar of Companies in India ("**RoC**") or the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**") or any other statutory or regulatory body of like nature in India, save and except for any information from any part of the Offering Circular which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India.

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Adani Ports and Special Economic Zone Limited

(incorporated in the Republic of India with limited liability under the Indian Companies Act, 1956)

U.S.$500,000,000 3.10 per cent. Senior Notes due 2031

Issue Price: 100 per cent.

The U.S.$500,000,000 3.10 per cent. Senior Notes due 2031 (the "**Notes**") will be issued by Adani Ports and Special Economic Zone Limited (the "**Company**" or the "**Issuer**") on February 2, 2021 (the "**Closing Date**"). The Notes will bear interest at the rate of 3.10 per cent. per annum of the principal amount of the Notes, payable semi-annually in arrear on the interest payment dates falling on February 2 and August 2 of each year. Payment on the Notes will be made without deduction for or on account of taxes of India to the extent described under "*Terms and Conditions of the Notes — Taxation*".

Subject to the receipt of the necessary approvals under the ECB Guidelines, the Notes may be redeemed at the option of the Issuer in whole or in part at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption) in the event of certain changes relating to taxation in India. Unless previously redeemed or repurchased and canceled, the Notes will be redeemed on February 2, 2031 at their principal amount together with accrued but unpaid interest (if any). Subject to the receipt of the necessary approvals under the ECB Guidelines, the Issuer will, at the option of the holders of the Notes, redeem any outstanding Notes, upon the occurrence of a Change of Control Triggering Event (as defined in the Terms and Conditions of the Notes), at 101 per cent. of their principal amount together with interest accrued to (but excluding) the date fixed for redemption. Subject to the receipt of the necessary approvals under the ECB Guidelines, the Notes may be redeemed at the option of the Issuer in whole, or in part, at any time on giving not less than 30 nor more than 60 days' written notice to the holders of the Notes and the Trustee and each Paying Agent at their principal amount plus the Applicable Premium (as defined in the Terms and Conditions of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption). See "*Terms and Conditions of the Notes*".

Prior to this offering there has been no market for the Notes. Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").An application has been made for the listing and trading of the Notes on the India International Exchange (IFSC) Limited (the "**India INX**") for which in-principle approval has been obtained. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Issuer or the Notes. Further, India INX has not approved or verified the contents of the listing particulars.

The Notes will be issued in registered form in the denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

The Notes will constitute (subject to Condition 4.1 of the Terms and Conditions of the Notes) unsecured and unsubordinated obligations of the Issuer and will rank at all times *pari passu* without any preference among themselves and at least *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

For a discussion of certain risks related to the Issuer and the Notes, see "*Risk Factors*".

It is expected that the delivery of the Notes will be made through the facilities of The Depository Trust Company ("**DTC**") on or about the Closing Date. The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "**Securities Act**") or the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold within the United States to qualified institutional buyers ("**QIBs**") in reliance on Rule 144A under the Securities Act and outside the United States in offshore transactions to non-U.S. Persons, each as defined in and in reliance on Regulation S under the Securities Act.

This Offering Circular has not been and will not be filed, produced or published as an offer document (whether as a prospectus or a statement in lieu of a prospectus in respect of a public offer or as an information memorandum or private placement offer cum application letter or any other offering material in respect of any private placement in accordance with the Companies Act, 2013, or the rules framed thereunder, each as amended, or any other applicable Indian laws), with the Registrar of Companies in India ("**RoC**") or the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any Indian stock exchanges or any other regulatory or statutory authority, save and except for any information from any part of this Offering Circular which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India. This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India or any Indian stock exchange. This Offering Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India. The Notes will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any person resident in India.

Joint Global Coordinators

Barclays	**BofA Securities**	**Citigroup**
J.P. Morgan	**MUFG**	**Standard Chartered Bank**

Joint Bookrunners

Barclays	**BofA Securities**	**Citigroup**		**DBS Bank Ltd.**
Emirates NBD Capital	**J.P. Morgan**	**Mizuho Securities**	**MUFG**	**Standard Chartered Bank**

Offering Circular dated January 26, 2021

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NOTICE TO INVESTORS

Neither the U.S. Securities and Exchange Commission (the "**SEC**") nor any state securities commission has approved of or disapproved of or recommended the Notes or determined if this Offering Circular is truthful or complete. Any representation to the contrary is a criminal offense in the United States.

Our Company, as well as Barclays Bank PLC, Citigroup Global Markets Limited, DBS Bank Ltd., Emirates NBD Bank PJSC, J.P. Morgan Securities plc, Merrill Lynch (Singapore) Pte. Ltd., Mizuho Securities (Singapore) Pte. Ltd., MUFG Securities Asia Limited Singapore Branch and Standard Chartered Bank (together, the "**Joint Bookrunners**") reserve the right to withdraw the offering of the Notes at any time or to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes offered hereby.

This Offering Circular is personal to the prospective investor to whom it has been delivered by the Joint Bookrunners or any of their respective affiliates and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes. Distribution of this Offering Circular to any person other than the prospective investor and those persons, if any, retained to advise that prospective investor with respect thereto is unauthorized, and any disclosure of its contents without our Company's prior written consent is prohibited. The prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and agrees not to make any photocopies of this Offering Circular.

This Offering Circular is intended solely for the purpose of soliciting indications of interest in the Notes from qualified investors and does not purport to summarize all of the terms, conditions, covenants and other provisions contained in any transaction documents described herein. The information provided herein is not exhaustive. The market information in this Offering Circular has been obtained by our Company from publicly available sources deemed by it to be reliable. Notwithstanding any investigation that the Joint Bookrunners or any of their respective affiliates may have conducted with respect to the information contained herein, the Joint Bookrunners do not accept any liability in relation to the information contained in this Offering Circular or its distribution or with regard to any other information supplied by or on our Company's behalf.

Prospective investors in the Notes should rely only on the information contained in this Offering Circular. Neither our Company nor the Joint Bookrunners, The Bank of New York Mellon (the "**Trustee**"), the Agents (as defined in the Terms and Conditions of the Notes) or any of their respective affiliates have authorized the provision of information different from that contained in this Offering Circular. The information contained in this Offering Circular may be accurate only as at the date of such information, regardless of the time of delivery of this Offering Circular or of any sale of the Notes. Neither the delivery of this Offering Circular nor any sale made hereunder shall under any circumstances imply that there has been no change in the affairs of our Company and its Subsidiaries or that the information set forth herein is correct as at any date subsequent to the date hereof.

Prospective investors hereby acknowledge that (i) they have not relied on the Joint Bookrunners, the Trustee or the Agents or any person who controls them, or any director, officer, employee, representative, agent, affiliate or adviser of any such person, in connection with any investigation of the accuracy of such information or their investment decision, and (ii) no person has been authorized to give any information or to make any representation concerning our Company or the Notes (other than as contained herein and information given by our Company's duly authorized officers and employees in connection with investors' examination of our Company, and the terms of this offering) and, if given or made, any such other information or representation should not be relied upon as having been authorized by our Company, the Joint Bookrunners, the Trustee, the Agents or any person who controls them, or any director, officer, employee, representative, agent, affiliate or adviser of any such person.

None of the Joint Bookrunners, our Company, the Trustee, the Agents or any person who controls them, or any director, officer, employee, representative, agent, affiliate or adviser of any such person, is making any representation to any offeree or purchaser of the Notes offered hereby regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws. None of the Joint Bookrunners, the Trustee, the Agents or any person who controls them, or any director, officer, employee, representative, agent, affiliate or adviser of any such person, makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy, completeness or fairness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Joint Bookrunners, the Trustee or the Agents or any person who controls them, or any director, officer, employee, representative, agent, affiliate or adviser of any such person, accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Joint Bookrunners, the Trustee or the Agents or any person who controls them, or any director, officer, employee, representative, agent, affiliate or adviser of any such person, or on their behalf in connection with our Company or the issue and offering of the Notes. Each of the Joint Bookrunners, the Trustee and the Agents and each person who controls them, and each director, officer, employee, representative, agent, affiliate and adviser of any such person, accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

Each prospective investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of our Company and the terms of the Notes, including the merits and risks involved and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary. See "*Risk Factors*" for a discussion of certain factors to be considered. Any prospective investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of our Company, the Joint Bookrunners or any affiliate or representative of any of our Company or the Joint Bookrunners to subscribe for or purchase, any Notes in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorized or to any person to whom it is unlawful to make such offer, invitation or solicitation.

The distribution of this Offering Circular and the offer and sale of the Notes may, in certain jurisdictions, be restricted by law. None of the Joint Bookrunners, our Company, the Trustee or the Agents or any person who controls them, or any director, officer, employee, representative, agent, affiliate or adviser of any such person represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by our Company or the Joint Bookrunners or any of their respective affiliates which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Each purchaser of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Offering Circular, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom and the European Economic Area and to persons connected therewith. See "*Subscription and Sale*" and "*Transfer Restrictions*".

In connection with the issue of the Notes, Barclays Bank PLC, acting in its capacity as stabilization manager (the "**Stabilization Manager**") (or persons acting on behalf of the Stabilization Manager) may, to the extent permitted by applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail, but in so doing, the Stabilization Manager shall act as principal and not as agent of our Company and any loss resulting from over-allotment and stabilization will be borne, and any profit arising therefrom shall be beneficially retained, by the Stabilization Manager or, as the case may be, the Joint Bookrunners in the manner agreed by them. However, there is no assurance that the Stabilization Manager (or persons acting on behalf of such Stabilization Manager) will undertake stabilization action. Any stabilization action may begin on or after the Closing Date and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Closing Date and 60 days after the date of the allotment of the Notes. The Stabilization Manager (or persons acting on behalf of the Stabilization Manager) must conduct such stabilization in accordance with all applicable laws, regulations and rules.

Singapore SFA Product Classification — In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRIIPs Regulation/Prohibition of Sales to EEA Retail Investors — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation/Prohibition of sales to UK retail investors — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance/Professional investors and ECPs only target market — Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Offering Circular, unless the context otherwise indicates or implies, references to "**you**", "**your**", "**offeree**", "**purchaser**", "**subscriber**", "**recipient**", "**investors**", "**prospective investors**" and "**potential investor**" are to the prospective investors in this offering, references to "our Company" are to Adani Ports and Special Economic Zone Limited, and references to "**we**", "**us**" or "**our**" are to Adani Ports and Special Economic Zone Limited, its Subsidiaries, joint ventures and associates on a consolidated basis.

In this Offering Circular, references to "**Rupees**" and "**₹**" are to Indian rupees, the legal currency of India and references to "**U.S. dollars**" and "**U.S.$**" are to United States dollars, the legal currency of the United States. References herein to the "**U.S.**" or the "**United States**" are to the United States of America and its territories and possessions and references to "**India**" are to the Republic of India and its territories and possessions.

In this Offering Circular, references to "**lakh**" and "**lac**" mean "**100 thousand**"; "**million**" means "**10 lakh**"; "**crore**" means "**10 million**" or "**100 lakhs**"; and "**billion**" means "**1,000 million**" or "**100 crores**". References in this Offering Circular to the word "**acre**" mean "**43,559.6 square feet**" and "**hectare**" mean "**107,639.1 square feet**".

Unless otherwise stated, references in this Offering Circular to a particular year are to the calendar year ended/ending on December 31 and to a particular "**Fiscal Year**" or "**FY**" are to the year ended/ending on March 31. This Offering Circular contains our audited consolidated financial statements for Fiscal Years 2018, 2019 and 2020 (the "**Audited Consolidated Financial Statements**") and limited reviewed unaudited interim consolidated financial information as of and for the six months ended September 30, 2020 (the "**Q2 2020 Unaudited Interim Consolidated Financial Results**"). The Q2 2020 Unaudited Interim Consolidated Financial Results are presented in Rupees crores.

Unless the context requires otherwise, the financial information with respect to Fiscal Years 2018, 2019 and 2020 is derived from Audited Consolidated Financial statements prepared in accordance with the Indian Accounting Standards ("**Ind AS**") and the unaudited consolidated financial information with respect to the six months ended September 30, 2020 has been compiled by the Company in the manner and format required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI LODR Regulations**") and are subjected to a limited review by M/s Deloitte Haskins & Sells LLP in accordance with the Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("**SRE 2410**") issued by the Institute of Chartered Accountants of India ("**ICAI**"). The unaudited interim consolidated information as of and for the six months ended September 30, 2019 has been extracted from the comparative information included in the Q2 2020 Unaudited Interim Consolidated Financial Results.

Ind AS differs in certain significant respects from International Financial Reporting Standards ("**IFRS**") and United States Generally Accepted Accounting Principles ("**U.S. GAAP**") and, accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Offering Circular will provide meaningful information is entirely dependent on the reader's familiarity with the accounting policies. For further details in relation to the impact of Ind AS on the preparation and presentation of our financial statements, see "*Description of Certain Differences between Ind AS and IFRS*". For details regarding the accounting firm that has audited the Audited Consolidated Financial Statements, see "*Independent Accountants*".

Our Company does not provide a reconciliation of its financial statements to IFRS or U.S. GAAP financial statements. For further details, see "*Risk Factors — Risks Related to India — Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Offering Circular*".

In this Offering Circular, we refer to EBITDA, which is a non-GAAP measure. EBITDA is defined as profit for the year/period before non-controlling interests and adjusted for tax expenses, other income, finance costs, foreign exchange (gain)/loss (net), depreciation and amortization expenses and exceptional items. Our management believes that EBITDA provides investors with additional information about our performance, as well as our ability to incur and service debt and make capital expenditures, and is a measure commonly used by investors. This data, however, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Ind AS.

EBITDA described in this Offering Circular is not a substitute for Ind AS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. We have presented this supplemental financial measure because we believe this measure is frequently used by securities analysts and investors in evaluating similar issuers. This data is not necessarily indicative of, and should not be used as the basis for, or prediction of, future results. Investors are cautioned not to place undue reliance on this supplemental financial measure. For a reconciliation of EBITDA to profit for the year/period before non-controlling interests, please see "*Summary Financial Information*". This non-GAAP measure should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the consolidated financial statements included elsewhere in this Offering Circular.

In this Offering Circular, certain amounts have been rounded; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any reference in this Offering Circular to any law, regulation or notification is a reference to such law, regulation or notification as the same may have been, or may from time to time be, amended, supplemented or replaced.

The information on our Company's websites, the websites of any of its Subsidiaries, any website referred to herein or any website directly or indirectly linked to such websites, is not incorporated by reference into this Offering Circular and should not be relied upon.

U.S. INFORMATION

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

For this offering, our Company and the Joint Bookrunners are relying upon exemptions from registration under the Securities Act for offers and sales of securities which do not involve a public offering, including Rule 144A. The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). The Notes are being offered and sold to non-U.S. persons outside the United States in reliance on Regulation S and within the United States to QIBs in reliance on Rule 144A.

Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the provision of Section 5 of the Securities Act provided by Rule 144A. The Notes are subject to restrictions on transferability and resale. Purchasers of the Notes may not transfer or resell the Notes except as permitted under the Securities Act and applicable state securities laws. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Offering Circular, see "*Subscription and Sale*" and "*Transfer Restrictions*".

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with resales of the Notes, we will furnish, upon request of a holder of the Notes and a prospective purchaser designated by a holder, the information required to be delivered under Rule 144A(d)(4) if at the time of such request we are neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. So long as any of the Notes remain outstanding, we will deliver to the Trustee and provide to the Noteholders upon request our annual and semi-annual financial statements, as soon as they are available, but in any event within 120 days after the end of our Fiscal Year (in the case of our annual financial statements), and within 90 days after the end of our second fiscal quarter of each Fiscal Year (in the case of our semi-annual unaudited financial statements).

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Offering Circular consists of estimates based on data reports compiled by professional organizations and analysts, data from other external sources and our knowledge of the markets in which we compete. The statistical information included in this Offering Circular relating to the industries in which we operate has been reproduced from various trade, industry and government publications and websites including:

- Sagarmala, Ministry of Shipping, Government of India ("**GOI**");
- Basic Port Statistics of India 2018-2019, Ministry of Shipping, GOI;
- Update on Indian Port Sector 2019, Ministry of Shipping, GOI;
- International Monetary Fund;
- CIA World Factbook July 2018;
- National Accounts Statistics 2019, Ministry of Statistics and Program Implementation, GOI; and
- Snapshot of India's Oil & Gas data March 2020, Petroleum Planning & Analysis Cell, Ministry of Petroleum and Natural Gas, GOI.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analyses and estimates, so we rely on internally developed estimates. While we have compiled, extracted and reproduced this data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Joint Bookrunners, the Trustee or the Agents or any person who controls them, or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers, have independently verified this data and neither we nor the Joint Bookrunners, the Trustee or the Agents or any person who controls them, or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers, make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Joint Bookrunners, the Trustee or the Agents or any person who controls them or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers, can assure potential investors as to their accuracy. Internal and third-party estimates and projections cited in this Offering Circular are subject to significant uncertainties that could cause actual data to differ materially from the estimated or projected figures. No assurances are or can be given that these figures will be achieved. As a result, you are cautioned against undue reliance on such information. The extent to which the market and industry data contained in this Offering Circular is meaningful depends on the investor's familiarity with an understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Circular that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guideline", "intend", "may", "objective", "plan", "potential", "predict", "project", "pursue", "shall", "should", "target", "will", "would", or other words or phrases of similar import but these are not the exclusive means of identifying these statements.

All statements regarding our expected financial condition, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, growth plans and other matters discussed in this Offering Circular that are not historical facts. These forward-looking statements and any other projections contained in this Offering Circular (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include:

- The recent outbreak of the novel strain of coronavirus ("**COVID-19**").
- Changes in global economic, political and social conditions.
- Changes in economic and political conditions and increases in regulatory burdens in India and other countries in which our Company operates, transacts business or has interests.
- Accidents and natural disasters in India or in other countries in which we operate or globally, including specifically India's neighboring countries.
- Risks in connection with our reliance on concessions, sub-concessions and licenses from government and quasi-governmental organizations.
- Our business and operations may be adversely affected due to violations of environmental regulations during the development of port facilities.
- Reliance on a small number of customers for a large proportion of our income and a loss of any of these customers could adversely affect our profitability.
- The nature of our contracts with our customers contain inherent risks and contain certain provisions which, if exercised, could result in an adverse effect on our business and results of operations.
- Our investments in developing additional services, facilities and sources of income for our port business may not be successful.
- Our business and operating strategy and our ability to implement such strategy.
- Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business and results of operations.
- Our ability to ensure continuity of senior management and ability to attract and retain key personnel.
- The availability and terms of external financing.

- Cost overruns or delays in commencement of new projects.
- Changes in exchange controls, import controls or import duties, levies or taxes, either in international markets or in India.
- The risks of increased costs in technologies related to our operations and the uncertainty of such technologies producing expected results.
- Changes in the value of the Rupee against major global currencies and other currency changes.
- The ability of third parties to perform in accordance with contractual terms and specifications.
- Acquisitions and divestitures which we may undertake.
- Other factors discussed in this Offering Circular, including under "*Risk Factors*", "*Industry Overview*" and "*Our Business*".

The forward-looking statements contained in this Offering Circular are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from those expressed or implied in these forward-looking statements. All forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. The forward-looking statements speak only as at the date of this Offering Circular and none of us, the Joint Bookrunners, the Trustee or the Agents or any person who controls us or any of them, or any of our or their directors, officers, employees, representatives, agents, affiliates or advisers, assume any responsibility to update or revise any of the forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

ENFORCEABILITY OF CIVIL LIABILITIES

Our Company is a limited liability public company incorporated under the laws of India. All of our directors and executive officers named herein are residents of India and all or a substantial portion of our assets and such persons' assets are located in India. As a result, it may not be possible for investors to effect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. We understand that the statutory basis for recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). Section 44A of the Civil Code provides that, where a foreign judgment has been rendered by a superior court in any country or territory outside India which the GOI has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. A superior court with reference to any such territory would mean such courts as are specified in the aforesaid notification. Pursuant to GOI notifications, the High Courts in England are also included in the list of relevant superior courts. Accordingly, a judgment of a superior court in the United Kingdom may be enforceable by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order.

Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, section 44A of the Civil Code is applicable only to monetary decrees other than those being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards, even if such awards are enforceable as a decree or judgment.

While each of the United Kingdom, Singapore, Hong Kong and the United Arab Emirates, has been declared by the GOI to be a reciprocating territory for the purposes of section 44A of the Civil Code, the United States has not been declared by the GOI to be a reciprocating territory for the purposes of section 44A. A judgment of a court in a jurisdiction which is not a reciprocating territory, including that of a court in the United States, may be enforced only by a new suit upon the judgment and not by proceedings in execution. Section 13 of the Civil Code provides that a foreign judgment to which this section applies shall be conclusive as to any matter thereby directly adjudicated upon except: (i) where it has not been pronounced by a court of competent jurisdiction; (ii) where it has not been given on the merits of the case; (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where it has been obtained by fraud; or (vi) where it sustains a claim founded on a breach of any law in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record and such presumption may be displaced by proving, want of jurisdiction. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice.

A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999, as amended, and the rules and regulations thereunder, to execute such a judgment and repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Rupees on the date of the judgment and not on the date of the payment.

We would not be entitled to immunity based on sovereignty from any legal proceedings in India.

DEFINITIONS AND ABBREVIATIONS

This Offering Circular uses the definitions and abbreviations set forth below, unless otherwise specified, which you should consider when reading the information contained herein.

Company and Industry Related Terms

AALL	Adani Agri Logistics Limited
AEL	Adani Enterprises Limited
Adani Dahej	Adani Petronet (Dahej) Port Private Limited
Adani Ennore	Adani Ennore Container Terminal Private Limited
Adani Group	Adani Enterprises Limited, our Company, Adani Power Limited, Adani Green Energy Limited, Adani Total Gas Limited and Adani Transmission Limited along with their respective subsidiaries, joint ventures and associates and such other companies promoted and/or owned by our promoter group
Adani Hazira	Adani Hazira Port Limited
Adani Kandla	Adani Kandla Bulk Terminal Private Limited
Adani Logistics	Adani Logistics Limited
Adani Murmugao	Adani Murmugao Port Terminal Private Limited
Adani Vizag	Adani Vizag Coal Terminal Private Limited
Adani Vizhinjam	Adani Vizhinjam Port Private Limited
ACMTPL	Adani CMA Mundra Terminal Private Limited
AICTPL	Adani International Container Terminal Private Limited
AKPL	Adani Kattupalli Port Limited
Articles of Association or Articles	The Articles of Association of our Company, as amended from time to time
Auditor	M/s Deloitte Haskins & Sells LLP
B2B Logistics	B2B Logistics Solutions Private Limited
Board or Board of Directors	The board of directors of our Company
Company	Adani Ports and Special Economic Zone Limited, a public limited company incorporated under the Companies Act, 1956
CT1 Sub-concession Agreement	Sub-concession agreement dated January 7, 2003 between MICTL and our Company
Dahej Port	The port at Dahej, Gujarat
Dhamra Port	The port at Dhamra, Odisha

Directors	Directors on the Board, as may be appointed from time to time
DPCL	Dhamra Port Company Limited
DWT	Deadweight tonnage
Ennore Port	The port at Ennore, Tamil Nadu, which has been renamed the Kamarajar Port with effect from February 25, 2014
Equity Shares	Ordinary shares in the capital of our Company of face value of ₹2 each
GMB	Gujarat Maritime Board
Hazira Port	The port at Hazira, Gujarat
Kandla Port	The port at Kandla, Gujarat
Karnavati Aviation	Karnavati Aviation Private Limited
Kattupalli Port	The port at Kattupalli, Tamil Nadu
KPCL	Krishnapatnam Port Company Limited
Krishnapatnam Port	The port at Krishnapatnam, Andhra Pradesh
Memorandum of Association or Memorandum	Memorandum of Association of our Company, as amended from time to time
MICTL	Mundra International Container Terminal Private Limited
MIDPL	Marine Infrastructure Developer Private Limited
MITAP	Mundra SEZ Textile and Apparel Park Private Limited
MPPL	Mundra Port Pty Limited
mmt	Million metric tonnes
mmtpa	Million metric tonnes per annum
Murmugao Port	The port at Murmugao, Goa
Mundra Port	The port at Mundra, Gujarat
Mundra SEZ	Mundra Special Economic Zone
NBFC	Non-Banking Financial Company
NCDs	Non-convertible debentures
NCLT	National Company Law Tribunal
NGT	National Green Tribunal
POL	Petroleum, oil and lubricants
Promoters	Mr. Gautam S. Adani and Mr. Rajesh S. Adani

Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI Regulations
Registered and Corporate Office	Adani Corporate House, Shantigram, near Vaishnodevi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India
Subsidiaries	The subsidiaries of our Company in accordance with the accounting standards notified under the Companies Act, 1956 or the Companies Act, as applicable
TAMP	Tariff Authority for Major Ports
TAHSL	The Adani Harbour Services Limited
TEU	Twenty-foot Equivalent Unit
ULCC	Ultra large crude carrier
Vizag Port	The port at Visakhapatnam, Andhra Pradesh
Vizhinjam Port	The port at Vizhinjam, Kerala
VLCC	Very large crude carrier
we or us or our	Unless the context otherwise requires, Adani Ports and Special Economic Zone Limited, its Subsidiaries, joint ventures and associates on a consolidated basis

Conventional and General Terms

BSE	BSE Limited
CAGR	Compounded annual growth rate
Civil Code	Code of Civil Procedure, 1908
Clearing Systems	DTC, Euroclear and Clearstream
Clearstream	Clearstream Banking S.A.
Companies Act/Companies Act, 2013	The Companies Act, 2013, together with the rules thereunder
ECB	External commercial borrowings
ECB Guidelines	Together, the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 and the rules, regulations, circulars or notifications issued by the RBI in relation to ECBs including the Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations, issued by the RBI on March 26, 2019, the circular on External Commercial Borrowings (ECB) Policy — Rationalisation of End-use Provisions dated July 30, 2019 and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, each as amended from time to time

Euroclear	Euroclear Bank SA/NV
Exchange Act	The U.S. Securities Exchange Act of 1934
FEMA	Foreign Exchange Management Act, 1999, together with the rules and regulations thereunder
Fiscal Year or FY	Period of 12 months ending/ended March 31 of that particular year
GDP	Gross Domestic Product
GOI	Government of India
GVA	Gross Value Added
HUF	Hindu Undivided Family
ICD	Inland Container Depots
IFRS	International Financial Reporting Standards
Income-tax Act	Income-tax Act, 1961
Ind AS	Indian Accounting Standards as notified under Section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended)
India INX	India International Exchange (IFSC) Limited
Indian Ports Act	The Indian Ports Act, 1908
Indian Ports Bill	The Indian Ports Bill, 2018
ISO	International Organization for Standardization
Joint Bookrunners	Barclays Bank PLC, Citigroup Global Markets Limited, DBS Bank Ltd., Emirates NBD Bank PJSC, J.P. Morgan Securities plc, Merrill Lynch (Singapore) Pte. Ltd., Mizuho Securities (Singapore) Pte. Ltd., MUFG Securities Asia Limited Singapore Branch and Standard Chartered Bank
Joint Global Coordinators	Barclays Bank PLC, Citigroup Global Markets Limited, J.P. Morgan Securities plc, Merrill Lynch (Singapore) Pte. Ltd., MUFG Securities Asia Limited Singapore Branch and Standard Chartered Bank
LNG	Liquified natural gas
LPG	Liquified petroleum gas
Major Ports	Ports handling cargo traffic tonnage of around 20 mmt per year

Major Ports Act	Major Port Trust Act, 1963
MAT	Minimum Alternate Tax
MEC	Myanmar Economic Corporation
MoEF	The Ministry of Environment, Forests and Climate Change, GOI
Non-Major Ports	Ports that are not Major Ports
Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
Noteholders	Holders of the Notes
Notes	The U.S.$500,000,000 3.10 per cent. Senior Notes due 2031 of our Company
NSE	The National Stock Exchange of India Limited
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
Rupee/₹/Rs.	Indian rupees
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
Securities Act	The U.S. Securities Act of 1933, as amended
SEZ	Special Economic Zone
Supreme Court	Supreme Court of India
TFU	Twenty-foot equivalent unit
U.S. GAAP	Generally accepted accounting principles in the United States
YoY	Year on year

Notwithstanding the definitions set out above, the defined terms in our financial statements shall have the meanings given to such terms therein.

SUMMARY

This summary highlights information contained elsewhere in this Offering Circular and does not contain all of the information that you should consider before investing in the Notes. You should read this entire document, including "Risk Factors" and the financial statements and related notes included elsewhere in this Offering Circular, before making an investment decision. This Offering Circular includes forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements".

Business Overview

We are India's largest private developer and operator of ports and related infrastructure, according to the India Infrastructure Report of 2020. We provide fully integrated marine, stevedoring, handling, storage, warehousing, transportation and other value-added logistics services. We have invested in port-based SEZs and logistics/ICDs in India. We have expanded our business from operating a single port at Mundra on the west coast of India to being a pan-Indian integrated logistics service provider operating 10 ports, 25 terminals and five logistics parks/ICDs. We are further expanding our capacities at a few of our existing ports and are also in the process of developing container terminals in the south of India. We also intend to continue exploring business opportunities, to cater to our growing business demand in India and outside India.

With a total installed capacity of 478.6 mmtpa as of the date of this Offering Circular, capable of handling a diverse cargo base including dry and liquid bulk, containers, crude and automobiles, LPG and LNG, we handled 207.7 mmtpa, 223.0 mmtpa, 109.5 mmtpa and 97.7 mmtpa of cargo in Fiscal Years 2019 and 2020, and in the six months ended September 30, 2019 and 2020, respectively. For the nine months ended December 31, 2020, we handled cargo of 174.1 mmtpa (higher by 5.4% YoY). We believe that we are India's benchmark to global ports in terms of strengths, capacities and operations.

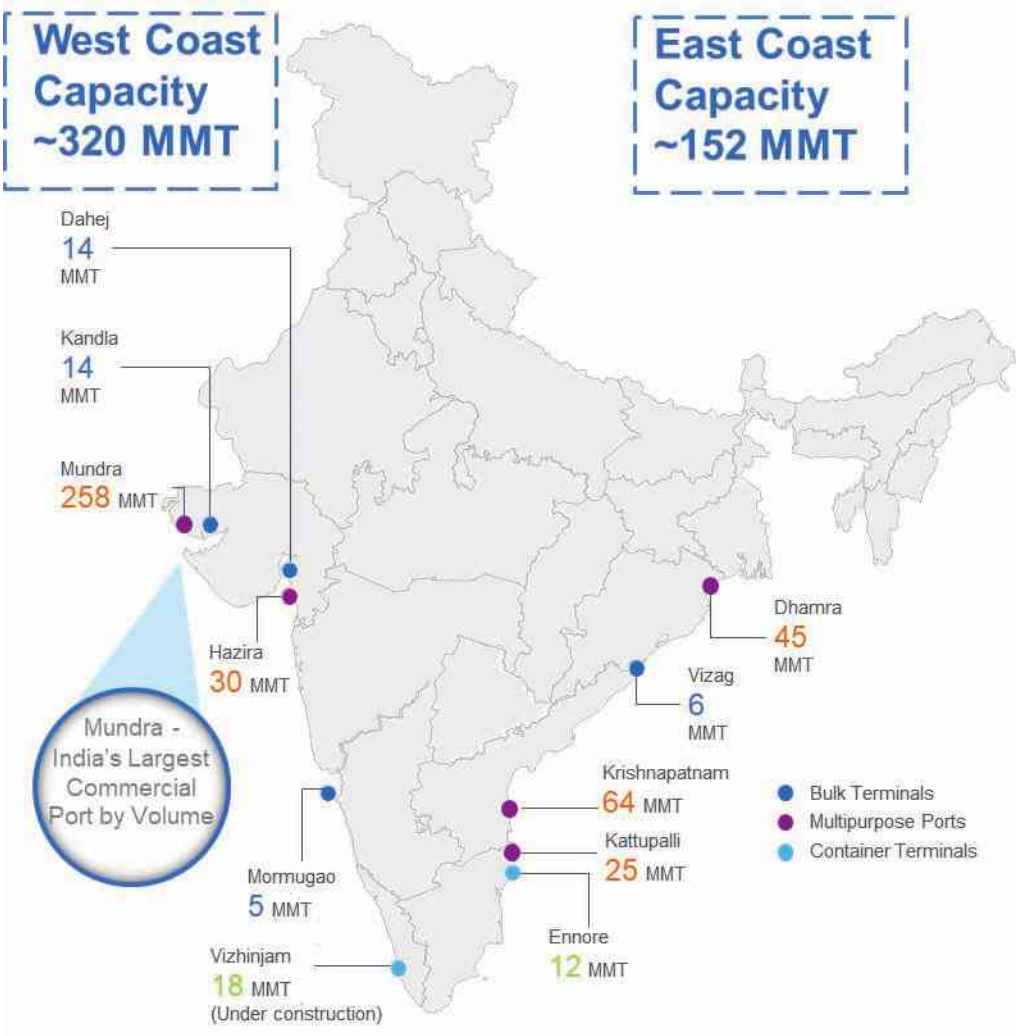
Our total income for Fiscal Years 2018, 2019 and 2020, and for the six months ended September 30, 2019 and 2020 was ₹123,338.9 million, ₹122,877.8 million, ₹137,344.2 million, ₹65,438.2 million and ₹61,726.2 million, respectively. Our profit for the year attributable to equity holders of the parent for Fiscal Years 2018, 2019 and 2020, and for the six months ended September 30, 2019 and 2020 was ₹36,736.2 million, ₹39,902.2 million, ₹37,631.3 million, ₹20,765.7 million and ₹21,450.2 million, respectively. Income from port operations (including port infrastructure services, other operating income including construction, income related to infrastructure development support services and export incentives) accounted for 67.9%, 86.6%, 90.4%, 91.2% and 90.5% of revenue from operations in Fiscal Years 2018, 2019 and 2020, and for the six months ended September 30, 2019 and 2020, respectively.

We believe that some of our key differentiators include the following:

- number one port in India, in terms of cargo handled, amongst all commercial ports;
- number one private container handling port of India;
- number one port for coal handling capacity in India;
- operating parameters benchmarked with global peers;
- only indigenous port company with pan-Indian facilities;
- capability to handle ultra large container vessels;
- one of the few port companies in India with facilities to handle super capesize vessels;

- only company in India to have developed and operated more than 326 kilometers of private railway line, including India's first and longest private railway line connecting Mundra to Adipur;
- large fleet of 18 dredgers for dredging and reclamation and 27 own tug boats for seamless marine operations;
- pan-India network of integrated logistics solutions through logistics parks, ICDs, grain silos, rail rakes and inland waterways;
- continued and consistent focus on sustainable growth, by providing a safe working environment for our employees, mitigating potential climate related risks and reducing the impact on shared resources;
- continued focus on switching to cleaner fuel and energy sources for cargo handling, creating biological carbon sinks and building resilient infrastructure that can withstand extreme weather conditions; and
- our infrastructure is supported by our state-of-the-art technologies, which are customer-centric and provide a high level of automation.

Our pan-India presence across different geographies covering the Indian coastline is as shown:



Note: the Vizhinjam Port is under construction; does not reflect the container capacity of approximately 6 mmt of Adani Logistics.

Recent Developments

1. Tender offer and redemption of Senior Notes due 2022.

Concurrently with this offering, we have commenced a cash tender offer (the "**Tender Offer**") pursuant to a tender offer memorandum dated on or about the date hereof (the "**Tender Offer Memorandum**") to purchase any and all of our outstanding U.S.$500 million 3.95% senior notes due 2022 (the "**Senior Notes due 2022**"). The purchase price for the Senior Notes due 2022 validly tendered prior to the expiration time specified in the Tender Offer Memorandum and accepted for purchase by us is U.S.$1,032.3 per U.S.$1,000 principal amount of the Senior Notes due 2022, plus accrued and unpaid interest to, but excluding, the settlement date of the Tender Offer, which is currently expected to be on or about the same date as the Closing Date. Subject to market conditions, the completion of the this offering on terms and conditions satisfactory to the Company and obtaining all relevant government and other approvals, the Company may choose, on or about the settlement date of the Notes offered through this offering, to exercise its right to optionally redeem any Senior Notes due 2022 not purchased by the Company in the Tender Offer, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, plus an applicable "make-whole" premium, pursuant to the conditions and the terms of the Trust Deed of the Senior Notes due 2022 (the "**Redemption**"). The purpose of the Tender Offer and the Redemption is to proactively manage our upcoming debt maturities and extend our debt maturity profile. We intend to use the proceeds of this Offering, together with cash on hand, to fund the Tender Offer and the Redemption. The Tender Offer is conditioned (the "**Financing Condition**") on our successfully obtaining at least U.S.$500,000,000 as gross proceeds from this Offering, in accordance with applicable law and ECB Guidelines such that the Notes are capable of refinancing the Senior Notes due 2022, and on terms and conditions satisfactory to us. If this Offering is not completed, or is completed but does not generate sufficient funds as aforesaid, the Financing Condition will not be satisfied and the Tender Offer may be terminated. We may, in our sole discretion, waive the Financing Condition. The Tender Offer is also subject to certain customary conditions. This Offering Circular does not constitute an offer to purchase or a solicitation of an offer to sell any securities. The Tender Offer is being made only through the Tender Offer Memorandum and other related materials.

2. Interim Results

On November 3, 2020, the Company announced its results of operations as of and for the six months ended September 30, 2020, along with certain additional financial and operating information as of and for that same period. The following presents a summary of that recent financial and operating information. This information should be read in conjunction with the presentation of financial information by reference to our Unaudited Interim Consolidated Financial Results included elsewhere in this Offering Circular. Results for interim periods are not necessarily indicative of results for the full year and are not comparable with annual numbers presented in this Offering Circular.

Six months ended September 30, 2020 compared with six months ended September 30, 2019

Total Income. Total income decreased by 5.7% to ₹61,726.2 million in the six months ended September 30, 2020 from ₹65,438.2 million in the six months ended September 30, 2019.

Revenue from Operations. Revenue from operations decreased by 7.5% to ₹51,952.1 million in the six months ended September 30, 2020 from ₹56,156.3 million in the six months ended September 30, 2019, primarily due to decrease in cargo volume handled in the six months ended September 30, 2020 and partially offset by higher realization on better cargo mix.

Other Income. Other income increased by 5.3% to ₹9,774.1 million in six months ended September 30, 2020 from ₹9,281.9 million in the six months ended September 30, 2019 primarily due to a decrease in interest income from the investment of temporary liquid funds during the period.

Total Expenses. Total expenses including operating expenses, employee benefit expenses, depreciation, finance cost, foreign exchange (gain)/loss and other expenses decreased by 19.1% to ₹34,280.2 million in the six months ended September 30, 2020 from ₹42,369.0 million in the six months ended September 30, 2019.

Operating Expenses. Operating expenses decreased by 3.5% to ₹13,573.4 million in the six months ended September 30, 2020 from ₹14,071.8 million in the six months ended September 30, 2019, primarily due to a decrease in cargo volume handled in the six months ended September 30, 2020.

Employee Benefits Expense. Employee benefits expense increased by 7.3% to ₹2,873.7 million in the six months ended September 30, 2020 from ₹2,677.5 million in the six months ended September 30, 2019, primarily due to an annual increment to employees and acquisition of B2B logistic.

Other Expenses. Other expenses increased by 11.6% to ₹3,420.7 million in the six months ended September 30, 2020 from ₹3,065.1 million in the six months ended September 30, 2019, primarily due to contributions made to PM CARES Fund and Chief Minister Distress Relief Fund Kerala set up for COVID-19 relief in India during the COVID-19 pandemic.

Foreign Exchange (Gain)/Loss (net). The Company recorded a gain on foreign exchange of ₹4,851.0 million in the six months ended September 30, 2020 compared to a loss of ₹4,767.1 million in the six months ended, September 30, 2019 primarily due to fluctuations in the U.S. dollar Indian Rupee exchange rate.

Finance Costs. Finance costs increased by 3.3% to ₹10,098.5 million in the six months ended September 30, 2020 from ₹9,776.9 million in the six months ended September 30, 2019, primarily due to an increase in derivative loss in the six months ended September 30, 2020 against derivative gain in the six months ended September 30, 2019 and partial offset by decrease in interest expenses on borrowings.

Depreciation and Amortization Expenses. Depreciation and amortization expenses increased by 14.4% to ₹9,164.9 million in the six months ended September 30, 2020 from ₹8,010.6 million in the six months ended September 30, 2019, primarily due to the addition in fixed assets at Mundra and Dhamra location and acquisition of B2B logistic.

Profit before share of loss from joint venture entities, exceptional items and Tax. Profit before share of loss from joint venture entities, exceptional items and tax increased by 19.0% to ₹27,446.0 million in the six months ended September 30, 2020 from ₹23,069.2 million in the six months ended September 30, 2019 primarily due to foreign exchange gain in in the six months ended September 30, 2020 against foreign exchange loss in the six months ended September 30, 2019 and partially offset by decrease in profit from foregoing ordinary activities.

Exceptional items. There is no exceptional item in the six months ended September 30, 2020 against ₹586.3 million in the six months ended September 30, 2019 as a provision for revenue share on deemed storage income was made for Adani Murmugao Port Terminal Pvt. Ltd.

Tax Expense. Tax expense increased by 267.1% to ₹5,889.4 million in the six months ended September 30, 2020 from ₹1,604.3 million in the six months ended September 30, 2019, primarily due to:

- an increase in current tax of 25.5% to ₹6,358.0 million in the six months ended September 30, 2020 from ₹5,066.3 million in the six months ended September 30, 2019, primarily due to higher profit on account of foreign exchange gain in the six months ended September 30, 2020 against foreign exchange loss in the six months ended September 30, 2019.

- an increase in deferred tax to ₹190.6 million in the six months ended September 30, 2020 from ₹(2,902.6) million in the six months ended September 30, 2019 primarily due to the re-measurement of outstanding deferred tax balances and an amount of ₹3,043.2 million, which has been written back in the Statement of Profit and Loss as a result of the new Taxation Law (Amendment) Ordinance, 2019 ("**Ordinance**") issued by Ministry of Law and Justice (Legislative Department).

- an increase in tax credit under MAT of 17.8% to ₹(659.2) million in the six months ended September 30, 2020 from ₹(559.4) million in the six months ended September 30, 2019.

Share of Non-Controlling Interest in Profit/Loss of Subsidiaries. The share of non-controlling interest in profit of our subsidiaries was ₹65.0 million in the six months ended September 30, 2020 on account of profit attributable to ports as compared to the share of non-controlling interest in profit of our Subsidiaries of ₹113.2 million in the six months ended September 30, 2019.

Profit for the year/period attributable to equity holders of the parent. As a result of the foregoing profit for the six months ended September 30, 2020 attributable to equity holders of the parent increased by 3.3% to ₹21,450.2 million in the six months ended September 30, 2020 from ₹20,765.7 million in the six months ended September 30, 2019. Our profit for the year/period attributable to equity holders of the parent as a percentage of total income was 34.8% in the six months ended September 30, 2020 as compared to 31.7% in the six months ended September 30, 2019.

Total Comprehensive income attributable to equity holders of the parent. As a result of the foregoing profit, total comprehensive income attributable to equity holders of the parent increased by 4.9% to ₹21,561.1 million in the six months ended September 30, 2020 from ₹20,547.4 million in the six months ended September 30, 2019. Our total comprehensive income for the year attributable to equity holders of the parent as a percentage of total income was 34.9% in the six months ended September 30, 2020 as compared to 31.4% for in the six months ended September 30, 2019.

Indebtedness

As at September 30, 2020, our total indebtedness outstanding was ₹365,174.6 million on a consolidated basis. The total borrowings (indebtedness) as at September 30, 2020 consisted of long-term borrowings, current maturities of long-term borrowings, short-term borrowings. The borrowings include Rupee loans, foreign currency loans, bonds, notes, debentures and liability component of preference shares.

The following table shows the maturity profile of such indebtedness as at September 30, 2020:

Particulars	Total as at September 30, 2020	Due less than 1 year	Due between 1 and 2 years	Due between 3 and 5 years	Due more than 5 years
			₹ in million		
Secured Borrowings . . .	116,507.3	9,725.9	17,265.3	37,962.7	51,553.4
Unsecured Borrowings .	248,667.3	15,699.7	36,808.9	48,892.1	147,266.7
Total Borrowings	**365,174.6**	**25,425.5**	**54,074.2**	**86,854.8**	**198,820.1**

* Reference exchange rate as at September 30, 2020:
₹73.77 per U.S.$1.00
₹86.49 per EUR1.00
₹94.65 per GBP1.00
₹0.70 per JPY1.00
₹52.56 per AUD1.00
₹53.88 per SGD1.00

The split of our borrowing across Rupee loans, foreign currency loans, U.S. dollar bonds, Rupee debentures, commercial paper, suppliers credit and others as on September 30, 2020 was as follows:

Particulars	**₹ in Million**	**Composition**
		(%)
Commercial Paper and Others	3,920.3	1.1
Foreign Currency Loans	19,097.9	5.2
Foreign Currency Bonds	230,653.9	62.3
Debentures	81,320.1	22.0
Packing credit in Rupee currency	20.7	0.0
Debt Component of Preference Share	1,014.6	0.3
Rupee Term Loans	27,896.5	7.5
Buyers Credit	1,250.6	0.3
Total Borrowings	365,174.6	100.0%

There are certain restrictive covenants in the agreements we have entered into with our lenders, including:

- Creation of security over existing and future assets of our port facilities.
- Incurrence of additional indebtedness.
- Making certain restricted payments.
- Prepaying any indebtedness prior to its maturity date.
- Investing in equity interests or purchasing assets, other than in ordinary course of our business, unless certain conditions are satisfied.
- Sale or other disposition of assets.
- Change or expansion in scope of business.
- Entering into certain corporate transactions such as reorganizations, amalgamations and mergers.
- Pledges over the shares of our Subsidiaries for financing of specific projects.

See "*Risk Factors — Risks Related to Our Business — Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, cash flows and results of operations. Any breach of the terms under our financing arrangements could trigger cross-acceleration under our other financing arrangements, leading to termination of one or more of our financing arrangements*" and "*Description of Material Indebtedness*" for further details.

3. Acquisition of the Krishnapatnam Port

Our Company completed the acquisition of the Krishnapatnam Port by acquiring up to 66,432,119 equity shares of KPCL, constituting 75% of the paid up equity share capital of KPCL, and up to 680,007,962 compulsorily convertible preference shares of KPCL, constituting 100% of outstanding preference share capital of KPCL on October 1, 2020. The KPCL acquisition was primarily funded through a bond issuance of U.S.$750 million in July 2020.

Overview of the Krishnapatnam Port

The Krishnapatnam Port is an all-weather deep-water port located on the east coast of India in the Nellore district of Andhra Pradesh, India with the ability to handle all types of vessels. It is a multi-purpose port with a draft of 18.5 meters and 12 berths with a capacity of 64 mmtpa which can be expanded to 300 mmtpa as per the approved master plan of the port. It also has the capacity to handle more than 1,400 vessels per annum. The Krishnapatnam Port has a dedicated high speed conveyor belt of about 12.5 km connecting berths to power plants for conveying coal. It also has two dedicated 16-inch pipelines of 6.5 km connecting berths to edible oil refineries. Krishnapatnam Port handled 48.1 mmt of cargo in Fiscal Year 2020, of which it handled 30.6 mmt of coal, 9.1 mmt of container cargo, 6.9 mmt of other dry cargo and 1.5 mmt of other liquid cargo.

In Fiscal Year 2019, it was the largest private port in Andhra Pradesh and the second largest private port in India, according to the India Infrastructure Report of 2020.

The Krishnapatnam port has five strategically located terminals that manage general dry cargo, coal and vegetable oil having a total quay length of 3,300 meters and a capacity of 64 mmtpa. Details of the Terminals are set out below:

Particulars	**Terminal 1**	**Terminal 2**	**Terminal 3**	**Terminal 4**	**Terminal 5**
Capacity	21 mmt	14 mmt	16 mmt	8 mmt	5 mmt
Quay length ..	1,200 m	600 m	600 m	600 m	300 m
Cargo type ..	Containers & general cargo	General cargo	Coal (mechanized)	General cargo & vegetable oil	General cargo

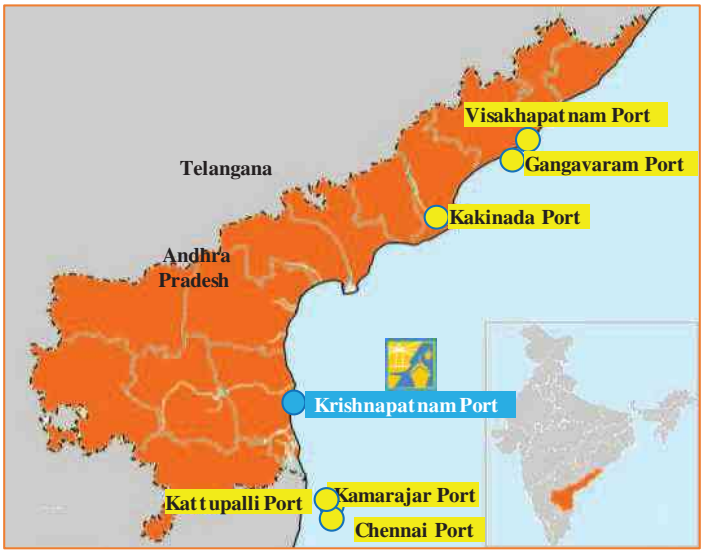
Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminals at Krishnapatnam**
Cargo type	Container, dry, liquid and coal-based cargo
Berths	12
Quay length	3,300 meters
Cranes	17 cranes, 5 RMQs, 9 RTGs

Connectivity

The Krishnapatnam Port's primary hinterland is central and southern Andhra Pradesh, eastern Karnataka and southern Telangana. From the total 6,800 acres of land available for the port as per the approved master plan of the port, 3,866 acres of land is leased to KPCL by the Government of Andhra Pradesh. The Krishnapatnam Port caters to a rich hinterland having thermal power plants with a capacity of 5,490 MW and another 800 MW that is under construction, cement plants and edible oil refineries with a capacity of 7,200 mt per day. The strategic location of the port also

attracts container cargo primarily consisting of export commodities such as agricultural products, cement, minerals and fish products, among others. The following map provides the location of the Krishnapatnam Port.



The Krishnapatnam Port is connected to National Highway 5 (Chennai-Kolkata Highway) by a dedicated four-lane road, which is currently being upgraded to a six-lane road. It also has an internal road network of 55 km connecting the port to the main road that has a capacity of 5,000 trucks per day. The Krishnapatnam Port is also connected to the Indian railway network as it is located close to the Venkatachalam railway station in Andhra Pradesh and hence has access to the double rail line between Chennai and Kolkata. With the 91 km railway line between Venkatachalam railway station in Andhra Pradesh and Obulavaripalle railway station in Andhra Pradesh, we have quicker access to the hinterland. It is located near the major cities of Chennai (175 km), Hyderabad (475 km), Bangalore (390 km) and Visakhapatnam (650 km) in India.

Potential synergies

KPCL operated approximately 48 MMT cargo in Fiscal Year 2020 at a utilization rate of 75%. With our marketing, service and operating capabilities, we believe that there will be material synergies that will increase cargo volumes and improve margins. By implementing operational efficiency at the Krishnapatnam Port, we expect cost efficiencies which will enable us to provide better services to our customers.

Growth opportunities

The east coast traffic in India is estimated to be over 500 mmtpa, according to India Infrastructure Report of 2020 and the cargo volume has grown at a CAGR of 5.8% between Fiscal Years 2015 and 2019, according to India Infrastructure Report of 2020. With the acquisition of the Krishnapatnam Port, we believe that we have a sizeable footprint in east India covering Dhamra, Ennore, Kattupalli, Vizag and Krishnapatnam Ports (collectively accounting for a capacity of 152 mmpta and increasing our cargo capacity on the east coast from 22% to 32% of our total cargo capacity, and an increase in our share of ports on the east coast of India from 8% in Fiscal Year 2015 to 22% in Fiscal Year 2020).

The demand for coal is expected to grow consistently in high single digits until Fiscal Year 2025 primarily due to the commissioning of 800 MW power capacity by the Andhra Pradesh Southern Power Distribution Company Limited. We believe this increase in power capacity in Andhra Pradesh is expected to increase coal import by power plants in the surrounding hinterland. We believe that container traffic is again expected to grow strongly from Fiscal Year 2020 to Fiscal Year 2025 due to an expected increase in export cargo of agricultural commodities, cements, minerals and fish products. We further expect a growth in cement cargo by Fiscal Year 2021 with the commissioning of a cement cargo plant near the Krishnapatnam Port. We expect to benefit from these growth opportunities and increase the cargo volumes along the east coast of India with the acquisition of the Krishnapatnam Port.

4. ***Impact of COVID-19 on the Indian economy and imports and exports in the first and second quarter of Fiscal Year 2021***

Since lockdowns have eased in India, the economy has been revising. The index of core industries improved from 101.7 in the first quarter of Fiscal Year 2021 to 120.9 in the second quarter of Fiscal year 2021, signaling a continued recovery. The YoY contraction in the core industries has reduced from 23.8% in the first quarter of Fiscal Year 2021 to 5.0% in the second quarter of Fiscal year 2021. Broader industrial sector, represented by Index of Industrial Production (Base Year 2011-12) also improved with contraction reducing from 35.6% in the first quarter of Fiscal Year 2021 to 5.9% in the second quarter of Fiscal year 2021. Overall economy improved in sync with contraction in GDP reducing from 23.9% in in the first quarter of Fiscal Year 2021 to 7.5% in in the second quarter of Fiscal Year 2021.

India's exports improved at a much faster pace than imports which led to a narrowing of the trade gap. Exports grew from U.S.$51.4 billion in first quarter of Fiscal Year 2021 to U.S.$74.1 billion in second quarter of Fiscal Year 2021, thus improving with contractions reducing from 36.5% in first quarter of Fiscal Year 2021 to 5.4% in second quarter of Fiscal Year 2021. In fact, after declining for six months in a row, exports recorded YoY growth of 6% in September 2020. Recovery in non-oil exports was even better, with contraction reducing from 33.4% in first quarter of Fiscal Year 2021 to 1.9% in second quarter of Fiscal Year 2021. In contrast, growth in imports was slow from U.S.$61.3 billion in first quarter of Fiscal Year 2021 to U.S.$90.6 billion in second quarter of Fiscal Year 2021. The YoY contraction in imports reduced from 62.7% in first quarter of Fiscal Year 2021 to 37.0% in second quarter of Fiscal Year 2021. Recovery in non-oil imports was slightly better, with contraction reducing from 49.3% in the first quarter of Fiscal Year 2021 to 18.7% in the second quarter of Fiscal Year 2021.

See "*Our Business — Impact of COVID-19*" for more details on the impact of COVID-19 on our operations.

5. ***Impact of COVID-19 on the cargo volumes of major ports in India and our volumes in the first, second and third quarter of Fiscal Year 2021***

Throughput from major ports in India declined at a rate of 19.7% YoY to 141.9 mmt in the first quarter of Fiscal Year 2021. Our throughput from our ports and terminals also declined during the same period by 27.1% YoY to 41.1 mmt. Post this, there has been a consistent improvement in the throughput at major ports in India which increased to 156.6 mmt in the second quarter of Fiscal Year 2021 (contraction reduced to 8.6% YoY) and 179.2 mmt in the third quarter of Fiscal Year 2021 (registering growth of 2.0% YoY). Similarly, throughput handled by our ports and terminals also have been improving and steeper than the major ports in India where it increased to 56.2 mmt (growth of 6.7% YoY) in the second quarter of Fiscal Year 2021 and 66.7 mmt excluding KPCL (growth of 19.7% YoY) and 76.5 mmt including KPCL (growth of 37.2% YoY) in the third quarter of Fiscal Year 2021.

About Our Company

Our Company was incorporated and registered in India on May 26, 1998 under the name Gujarat Adani Port Limited with registration number L63090GJ1998PLC034182. The name of our Company was changed to Mundra Port and Special Economic Zone Limited on July 7, 2006, and subsequently changed to Adani Ports and Special Economic Zone Limited on January 6, 2012. Our Company's shares were listed on November 27, 2007 on the BSE and the NSE.

Our registered and corporate office is Adani Corporate House, Shantigram, near Vaishnodevi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India, telephone number +917925555101. Our website is http://www.adaniports.com/. Information on our website does not constitute a part of this Offering Circular.

SUMMARY FINANCIAL INFORMATION

*Our Audited Consolidated Financial Statements have been prepared as per Ind AS and our Q2 2020 Unaudited Interim Consolidated Financial Results has been compiled by the Company in the manner and format required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI LODR Regulations**"). The summary financial information for Fiscal Years 2018, 2019 and 2020 presented below should be read in conjunction with the Audited Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Circular and the summary financial information for the six months ended September 30, 2020 presented below should be read in conjunction with the unaudited reviewed interim consolidated financial results and the notes thereto included elsewhere in this Offering Circular and the section "Management's Discussion and Analysis of Financial Condition and Results of Operations." and "Recent Developments." Ind AS differs in certain respects from IFRS and other accounting principles with which prospective investors may be familiar. For a discussion of certain significant differences between Ind AS and IFRS, see "Description of Certain Differences Between Ind AS and IFRS". The unaudited interim consolidated information as of and for the six months ended September 30, 2019 has been extracted from the comparative information included in the Q2 2020 Unaudited Interim Consolidated Financial Results.*

SUMMARY OF CONSOLIDATED ASSETS AND LIABILITIES

	As at March 31,			Six months ended September 30,
Particulars	**2018**	**2019**	**2020**	**2020**
		(₹ in millions)		
Assets				
Non-Current Assets				
Property, Plant and Equipment	184,440.6	227,809.3	257,449.2	254,641.8
Right-of-Use Assets	—	—	17,429.6	17,123.7
Capital work-in-progress	45,454.6	44,834.8	32,163.3	34,225.4
Goodwill	26,671.3	32,679.3	32,862.5	32,865.0
Other Intangible Assets	15,588.2	20,725.6	19,403.8	18,791.3
Investments accounted using Equity Method	—	30.0	8,260.1	8,140.3
Financial assets				
(i) Investments	5,591.4	2,654.9	3,401.0	3,428.6
(ii) Trade Receivables	21.4	—	—	—
(iii) Loans	28.0	—	—	—
(iv) Loans to Joint Venture Entities	11,930.6	12,195.4	12,643.7	12,502.6
(v) Other financial assets	14,548.7	43,467.3	50,591.6	65,589.6
Deferred Tax Assets (net)	13,105.4	10,283.8	12,096.2	10,247.4
Other Non-Current Assets	13,470.8	24,282.8	27,536.6	29,226.5
	330,851.0	**418,963.2**	**473,837.6**	**486,782.2**
Current Assets				
Inventories	5,202.9	8,066.8	2,882.8	2,903.4
Financial assets				
(i) Investments	5,197.8	5,138.1	118.9	—
(ii) Trade Receivables	35,379.1	24,319.1	25,890.9	21,286.9
(iii) Customers' bills discounted	7,720.0	3,577.5	6,130.5	4,998.8
(iv) Cash and Cash Equivalents	8,234.8	47,981.9	71,954.6	99,946.2
(v) Bank Balances other than above	21,440.7	11,691.1	1,184.0	2,030.4
(vi) Loans	14,845.8	12,781.1	17,848.8	79,580.7
(vii) Loans to Joint Venture Entities	203.1	2,695.0	680.0	680.0
(viii) Other Financial Assets	12,568.3	21,532.0	9,866.9	8,009.3
(ix) Advance paid for Acquisition	18,250.0	—	—	—

Particulars	As at March 31, 2018	As at March 31, 2019	As at March 31, 2020	Six months ended September 30, 2020
		(₹ in millions)		
Other Current Assets	13,857.7	8,528.8	11,641.7	8,425.7
	142,900.2	**146,311.4**	**148,199.1**	**227,861.4**
Total assets	**473,751.2**	**565,274.6**	**622,036.7**	**714,643.6**
Equity and Liabilities				
Equity				
Equity Share Capital	4,141.9	4,141.9	4,063.5	4,063.5
Other Equity	206,546.4	241,240.1	252,171.4	273,732.6
Total Equity attributable to equity holders of the parent	**210,688.3**	**245,382.0**	**256,234.9**	**277,796.1**
Non-Controlling Interests	1,495.6	2,099.4	2,195.9	2,260.9
Total Equity	**212,183.9**	**247,481.4**	**258,430.8**	**280,057.0**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	206,289.7	198,833.2	261,813.3	339,749.1
(ii) Other Financial Liabilities	1,090.4	1,660.5	7,343.3	7,227.4
Provisions	42.2	39.0	82.3	153.5
Deferred tax liabilities (net)	1,424.0	2,160.3	2,869.7	2,817.5
Other Non-Current Liabilities	12,277.4	11,583.3	14,532.6	14,178.1
	221,123.7	**214,276.3**	**286,641.2**	**364,125.6**
Current Liabilities				
Financial Liabilities				
(i) Borrowings	11.7	61,881.2	15,441.2	3,920.3
(ii) Customers' bills discounted	7,720.0	3,577.5	6,130.5	4,998.8
(iii) Trade and other payables				
(a) Total outstanding due of micro enterprises & small enterprises	—	20.7	19.6	20.7
(b) Total outstanding due of creditors other than micro enterprises & small enterprises	4,897.3	5,700.0	7,267.8	6,294.7
(iv) Other Financial Liabilities	20,938.0	25,416.7	33,361.4	40,600.0
Other Current Liabilities	4,608.2	5,642.7	13,466.6	12,561.9
Provisions	982.2	992.5	1,063.0	1,166.1
Liabilities for Current Tax (net)	1,286.2	285.6	214.6	898.5
	40,443.6	**103,516.9**	**76,964.7**	**70,461.0**
Total Liabilities	**261,567.3**	**317,793.2**	**363,605.9**	**434,586.6**
Total Equity and Liabilities	**473,751.2**	**565,274.6**	**622,036.7**	**714,643.6**

SUMMARY OF CONSOLIDATED PROFIT AND LOSS

Particulars	Fiscal Year			Six months ended September 30,	
	2018	2019	2020	2019	2020
			(₹ in millions)		
Income					
Revenue from Operations	113,229.6	109,254.4	114,387.7	56,156.3	51,952.1
Gain arising from infrastructure development at Dhamra LNG terminal	—	—	4,343.0	—	—
Other income	10,109.3	13,623.4	18,613.5	9,281.9	9,774.1
Total Income	**123,338.9**	**122,877.8**	**137,344.2**	**65,438.2**	**61,726.2**
Expenses					
Operating Expenses	32,318.3	27,608.0	30,972.6	14,071.8	13,573.4
Employee Benefits Expense	4,473.2	5,298.1	5,465.2	2,677.5	2,873.7
Finance Costs					
— Interest and Bank Charges	12,573.5	14,283.0	19,506.4	10,206.6	9,116.1
— Derivative (Gain)/Loss (net)	2,380.2	(431.1)	(1,375.0)	(429.7)	982.4
Depreciation and Amortization Expenses	11,883.7	13,734.8	16,802.8	8,010.6	9,164.9
Foreign Exchange Loss (net)	832.9	4,759.2	16,263.8	4,767.1	(4,851.0)
Other Expenses	4,984.0	5,673.5	6,639.0	3,065.1	3,420.7
Total Expenses	**69,445.8**	**70,925.5**	**94,274.8**	**42,369.0**	**34,280.2**
Profit before share of loss from joint venture entities, exceptional items	**53,893.1**	**51,952.3**	**43,069.4**	**23,069.2**	**27,446.0**
Share of loss from joint venture entities	—	(0.6)	(43.9)	0.3	(41.4)
Profit before exceptional items and tax	**53,893.1**	**51,951.7**	**43,025.5**	**23,069.5**	**27,404.6**
Exceptional items	(1,551.8)	(689.5)	(586.3)	(586.3)	—
Profit before tax	**52,341.3**	**51,262.2**	**42,493.2**	**22.483.2**	**27,404.6**
Tax Expenses					
Current Tax	15,463.9	10,576.0	7,074.9	5.066.3	6,358.0
Deferred Tax	928.3	2,193.1	(1,446.0)	(2,902.6)	190.6
Less: Tax (credit) under Minimum Alternate Tax (MAT)	(950.4)	(1,954.4)	(1,035.0)	(559.4)	(659.2)
Total tax expense	**15,441.8**	**10,814.7**	**4,593.9**	**1,604.3**	**5,889.4**
Profit for the Year/Period (A)	**36,899.5**	**40,447.5**	**37,845.3**	**20,878.9**	**21,515.2**
Attributable to:					
Equity holders of the parent	36,736.2	39,902.2	37,631.3	20,765.7	21,450.2
Non-controlling interests	163.3	545.3	214.0	113.2	65.0
Other Comprehensive Income					
Items that will not be reclassified to profit or loss in subsequent periods					
Re-measurement gains (losses) on defined benefit plans	8.7	(25.5)	(29.0)	(14.9)	(45.1)

Particulars	Fiscal Year			Six months ended September 30,	
	2018	2019	2020	2019	2020
			(₹ in millions)		
Income tax impact, (charge)/credit	(2.8)	3.2	4.4	2.8	12.4
	5.9	(22.3)	(24.6)	(12.1)	(32.7)
Net Gains on FVTOCI Equity Investments	117.4	232.5	132.7	—	—
Income tax impact, credit/(charge)	17.4	(54.1)	(27.6)	—	—
	100.0	178.4	105.1	—	—
Items that will be reclassified to profit or loss in subsequent periods					
Share in other comprehensive income of joint venture (net of tax)	—	—	(121.2)	—	(117.2)
Exchange difference on translation of foreign operations	(7.4)	(2.0)	406.9	(44.4)	260.8
	(7.4)	(2.0)	285.7	(44.4)	143.6
Effective portion of gains and losses on hedging	—	—	—	(161.8)	—
	—	—	—	(161.8)	—
Total Other Comprehensive Income for the year/period (net of tax) (B)	**98.5**	**154.1**	**366.2**	**(218.3)**	**110.9**
Attributable to:					
Equity holders of the parent	94.0	158.5	370.6	(218.3)	110.9
Non-controlling interests	4.5	(4.4)	(4.4)	—	—
Total Comprehensive income for the year/period (net of tax) (A)+(B)	**36,998.0**	**40,601.6**	**38,211.5**	**20,660.6**	**21,626.1**
Attributable to:					
Equity holders of the parent	36,830.2	40,060.7	38,001.9	20,547.4	21,561.1
Non-controlling interests	167.8	540.9	209.6	113.2	65.0
EBITDA[(1)]	71,454.1	70,674.2	75,610.0	36,342.2	32,042.9

(1) EBITDA is defined as profit for the year/period before non-controlling interests and adjusted for tax expenses, other income, finance costs, foreign exchange (gain)/loss (net), depreciation and amortization expenses and exceptional items. Our management believes that EBITDA provides investors with additional information about our performance, as well as the ability to incur and service debt and make capital expenditures, and is a measure commonly used by investors. This data, however, should not be considered in isolation or as a substitute for measures of performance. EBITDA described in this Offering Circular is not a substitute for Ind AS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. This non-GAAP measure should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the consolidated financial statements included elsewhere in this Offering Circular.

The following table shows a reconciliation of EBITDA to profit for the year/period before non-controlling interests in accordance with Ind AS for the periods indicated:

Particulars	Fiscal Year			Six Months Ended September 30,	
	2018	2019	2020	2019	2020
			(₹ in millions)		
Profit for the year/period	**36,899.5**	**40,447.5**	**37,845.3**	**20,878.9**	**21,515.2**
Adjusted for:					
Tax expenses	15,441.8	10,814.7	4,593.9	1,604.3	5,889.4
Other income	(10,109.3)	(13,623.4)	(18,613.5)	(9,281.9)	(9,774.1)
Finance costs	14,953.7	13,851.9	18,131.4	9,776.9	10,098.5
Foreign exchange loss/(gain) (net)	832.9	4,759.2	16,263.8	4,767.1	(4,851.0)
Exceptional items	1,551.8	689.5	586.3	586.3	—
Depreciation and amortization expenses	11,883.7	13,734.8	16,802.8	8,010.6	9,164.9
EBITDA	**71,454.1**	**70,674.2**	**75,610.0**	**36,342.2**	**32,042.9**

CONSOLIDATED CASH FLOWS

Particulars	Fiscal Year			Six months ended September 30,	
	2018	2019	2020	2019	2020
			(₹ in millions)		
Net Cash Inflow from Operating Activities	56,081.4	60,294.0	74,018.1	35,319.8	33,788.6
Net Cash (Outflow)/Inflow from Investing Activities	(38,458.4)	(44,241.5)	(7,504.2)	(18,910.3)	(75,623.9)
Net Cash (Outflow)/Inflow from Financing Activities	(18,890.3)	23,133.4	(42,556.3)	8,096.4	69,826.9

SUMMARY OF THE OFFERING

The following is a summary of the terms of the Notes. This summary is derived from, and should be read in conjunction with, the full text of the Terms and Conditions of the Notes and the Trust Deed constituting the Notes, which prevail to the extent of any inconsistency with the terms set out in this section. Capitalized terms used herein and not otherwise defined have the respective meanings given to them in the Terms and Conditions of the Notes.

Company and Issuer	Adani Ports and Special Economic Zone Limited.
Issue	U.S.$500,000,000 3.10 per cent. Senior Notes due 2031.
Issue Price	The Notes will be issued at 100 per cent. of their principal amount.
Closing Date	February 2, 2021.
Maturity Date	February 2, 2031.
Redemption at Maturity	Unless previously redeemed, or purchased and canceled, the Issuer will redeem each Note at its principal amount, together with accrued but unpaid interest (if any), on the Maturity Date.
Rate of Interest	The Notes will bear interest at the rate of 3.10 per cent. per annum from and including the Closing Date payable semi-annually in arrear on February 2 and August 2 of each year. The first payment (for the period from and including the Closing Date to but excluding August 2, 2021) will be made on August 2, 2021. The payment of interest will be subject to applicable laws of India, including but not limited to the ECB Guidelines.
Status of the Notes	The Notes will constitute (subject to Condition 4.1 of the Terms and Conditions of the Notes) unsecured and unsubordinated obligations of the Issuer and will rank at all times *pari passu* without any preference among themselves and at least *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Negative Pledge	So long as any Note remains outstanding, the Issuer shall not create or permit to subsist any Security (as defined in the Terms and Conditions of the Notes) for the benefit of the holders of any Securities (as defined in the Terms and Conditions of the Notes) upon the whole or any part of its property or assets, present or future, other than share capital of any joint venture that is not consolidated in the Issuer's consolidated financial statements in accordance with Ind AS, to secure (i) payment of any sum due in respect of any Securities; (ii) any payment under any guarantee of any Securities; or (iii) any indemnity or other like obligation in respect of any Securities, without in any such case at the same time according to the Notes (x) the same Security as is granted to or is outstanding in respect of such Securities or (y) such guarantee, indemnity or other like obligation or such other Security as shall be approved by the holders of the Notes by Extraordinary Resolution.

	So long as any of the Notes remain outstanding, the Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, provide any Security for the Indebtedness of any person other than a member of the APSEZ Group, other than Security upon share capital of any joint venture that is not consolidated in the Issuer's consolidated financial statements in accordance with Ind AS, without in any such case at the same time according to the Notes (x) the same Security as is provided for such Indebtedness or (y) such guarantee, indemnity or other like obligation or such other Security as shall be approved by the holders of the Notes by Extraordinary Resolution.
Redemption for Taxation Reasons . . .	The Notes may be redeemed at the option of the Issuer in whole, or in part, at any time, on giving not less than 30 nor more than 60 days' notice to the holders of the Notes and the Trustee and each Paying Agent (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that on the occasion of the next payment due under the Notes the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 of the Terms and Conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the relevant Tax Jurisdiction (as defined in the Terms and Conditions of the Notes), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes then due. *Any redemption of the Notes prior to their stated maturity will require the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, under the ECB Guidelines, and such approval may not be forthcoming.*
Redemption of Notes on a Change of Control.	Upon the occurrence of a Change of Control Triggering Event (as defined in the Terms and Conditions of the Notes), each holder of the Notes shall have the right to require that the Issuer redeem such holder's Notes at 101 per cent. of their principal amount (together with interest accrued to (but excluding) the date fixed for redemption). *Any redemption of the Notes prior to their stated maturity will require the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, under the ECB Guidelines, and such approval may not be forthcoming.*

Redemption of Notes at the Option of the Issuer	The Notes may be redeemed at the option of the Issuer in whole, or in part, at any time on giving not less than 30 nor more than 60 days' written notice to the holders of the Notes and the Trustee and each Paying Agent, at their principal amount plus the Applicable Premium applicable to such Notes (together with interest accrued to (but excluding) the date fixed for redemption). No Applicable Premium applies if the Notes are redeemed within 182 days of the Maturity Date. For the avoidance of doubt, none of the Agents or the Trustee have any responsibility with respect to the determination, calculation or verification of the Applicable Premium. *Any redemption of the Notes prior to their stated maturity will require the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, under the ECB Guidelines.*
Form and Denomination of the Notes	The Notes will be issued in registered form in the denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes will upon issue be represented by one or more Global Certificates (as defined in the Trust Deed) in fully registered form, which on the Closing Date will be registered in the name of a nominee of DTC.
Events of Default	If any of the events set out in "*Terms and Conditions of the Notes — Events of Default*" occurs and is continuing, the Trustee at its discretion may and if so requested in writing by holders of the Notes holding at least 25 per cent. in aggregate principal amount of the Notes then outstanding or so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest. The ECB Guidelines, at the time of any accelerated payment, may require the Issuer to obtain the prior approval of the RBI or the authorized dealer Category 1 bank, as the case may be, in accordance with the ECB Guidelines, before effecting the redemption of the Notes prior to their maturity, and such approval may not be forthcoming. See "*Terms and Conditions of the Notes — Events of Default*".
Cross-Acceleration	See Condition 9.3 of the "*Terms and Conditions of the Notes — Events of Default*".

Global Certificates	Notes which are offered and sold outside the United States in reliance on Regulation S will be represented by interests in one or more global certificates (the "**Regulation S Global Certificates**"), deposited with a custodian for and registered in the name of a nominee of DTC for the accounts of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") on or about the Closing Date. Notes that are offered and sold in the United States in reliance on Rule 144A will be represented by interests in a global certificate (the "**Rule 144A Global Certificate**" and, together with the Regulation S Global Certificate, the "**Global Certificates**"), deposited with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC on or about the Closing Date. Beneficial interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its respective direct and indirect participants, including depositaries for Euroclear and Clearstream. Beneficial interests in the Global Certificates may not be exchanged for Notes in definitive form except in the limited circumstances described in the Global Certificates. See "*Global Certificates*". See also generally "*Clearance and Settlement*" and "*Subscription and Sale*".
Taxation	All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes will be made free and clear of, and without deduction or withholding for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within India or any authority therein or thereof having power to tax, unless such deduction or withholding is required by law. See Condition 8 of "*Terms and Conditions of the Notes — Taxation*".
Selling Restrictions.	The Notes have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold in the United States only to QIBs in accordance with Rule 144A and outside the United States in offshore transactions to non-U.S. persons in accordance with Regulation S. There are other restrictions on the offer, sale and/or transfer of the Notes in, among others, India, Hong Kong, Japan, Singapore, the European Economic Area and the United Kingdom. For a description of the selling restrictions on offers, sales and deliveries of the Notes, see "*Subscription and Sale*".

Listing	Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Issuer or the Notes. The Notes will trade on the SGX-ST in a minimum board lot size of U.S.$200,000, so long as any of the Notes remain listed on the SGX-ST. So long as the Notes are listed on the SGX-ST and the rules of that exchange so require, if a Global Certificate is exchanged for definitive Certificates, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, if a Global Certificate is exchanged for definitive Certificates, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the Singapore agent. An application has been made for the listing and trading of the Notes on the India INX for which in principle approval has been obtained. The India INX has not approved or verified the contents of the listing particulars. The listing of the Notes by the Issuer is in compliance with the Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015, and as amended from time to time.
Trustee, Principal Paying Agent, Paying Agent, Registrar and Transfer Agent	The Bank of New York Mellon.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, the laws of England.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "*Risk Factors*".
Use of Proceeds	The gross proceeds from the issue of the Notes will be U.S.$500,000,000. Subject to compliance with applicable laws and regulations and as permitted by the RBI under the ECB Guidelines, the Issuer intends to use the proceeds from this Offering, together with cash on hand, to fund the proposed Tender Offer and the potential Redemption of the Senior Notes due 2022. If the Tender Offer and the Redemption are not completed for any reason, the Issuer intends to use a substantial portion of the proceeds from this Offering to repay its existing indebtedness, after obtaining approval from the RBI, if required. See "*Summary — Recent Developments — Tender Offer and Redemption of Senior Notes due 2022.*". See "*Use of Proceeds*".

Pre-issue Trades Settlement	It is expected that delivery of Notes will be made against payment therefor on the Closing Date, which will be more than two business days following the date of pricing. Under Rule 15c6-1 of the Exchange Act, trades in the U.S. secondary market generally are required to settle two business days (referred to as "**T+2**") unless the parties to any such trade expressly agree otherwise. Accordingly, since the Closing Date will be more than two business days following the date of pricing, purchasers who wish to trade the Notes in the U.S. between the date of pricing and the date that is two business days prior to the Closing Date will be required, by virtue of the fact that such Notes initially will settle beyond T+2, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries may vary. Purchasers of Notes may be affected by such local settlement practices. Purchasers of Notes who wish to trade Notes between the date of pricing and the date that is two business days prior to the Closing Date should consult their own adviser.
Tender Offer and Redemption of the Senior Notes due 2022	Concurrently with this offering, the Issuer has commenced a cash tender offer for any and all of the Senior Notes due 2022. In addition, subject to market conditions, the completion of this Offering on terms and conditions satisfactory to the Issuer and obtaining all relevant government and other approvals, the Issuer may choose to redeem all outstanding Senior Notes due 2022 pursuant to Condition 6.4 of the terms and conditions of the Senior Notes due 2022. See "*Summary — Recent Developments — Tender Offer and Redemption of Senior Notes due 2022*."
Legal Entity Identifier	335800QOAXP5TM7OYP69
ISIN	Rule 144A: US00652MAH51
	Regulation S: USY00130XS17
CUSIP	Rule 144A: 00652M AH5
	Regulation S: Y00130 XS1

This Offering Circular contains forward-looking statements that involve risks and uncertainties. Prospective investors should carefully consider the risks and uncertainties described below and the information contained elsewhere in this Offering Circular before making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of us and the terms of the offering of the Notes. The risks described below are not the only ones faced by us or investments in India in general. Our business, prospects, financial condition, cash flows and results of operations could be materially adversely affected by any of these risks. There are a number of factors, including those described below, that may adversely affect our ability to make payment on the Notes. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to us or that we currently deem immaterial may also impair our business, prospects, financial condition, cash flows and results of operations.

Risks Related to Our Business

The recent outbreak of COVID-19 could have a significant adverse effect on our results of operations, and could negatively impact our business, revenues, financial condition and results of operations.

An outbreak of a novel strain of coronavirus, COVID-19, was recognized as a pandemic by the WHO on March 11, 2020. In response to the outbreak, the governments of many countries, including India, have taken preventative or protective actions, such as imposing country-wide lockdowns and restrictions on travel and business operations. For example, India imposed a nationwide lockdown on March 25, 2020, and thereafter gradually lifted the lockdown in zones. These global restrictions have had an adverse impact on global economic conditions, resulted in turmoil in the global mercantile industry. While the final impact on the global economy is still uncertain, the pandemic has resulted in severe global macroeconomic disruptions and financial market volatility.

The COVID-19 pandemic has also adversely affected the operations of our customers, in turn impacting demand for our port services, which could adversely affect our business, financial condition and results of operations. During the period of the lockdown in India (mainly in the first quarter of Fiscal Year 2021), only companies providing essential services were allowed to continue operations. Ports and related logistics services were declared essential services by the GOI and, accordingly, our ports and logistics facilities continued operations during the lockdown period. However, our facilities were operating at low capacities during the lockdown period primarily because of a decline in cargo handled at our ports, caused by a decline in global mercantile trade.

Throughput from major ports in India declined at a rate of 19.7% YoY to 141.9 mmt in the first quarter of Fiscal Year 2021. Our throughput from our ports and terminals also declined during the same period by 27.1% YoY to 41.1 mmt. There has been a consistent improvement in the throughput at major ports in India which increased to 156.6 mmt in the second quarter of Fiscal Year 2021 (contraction reduced to 8.6% YoY) and 179.2 mmt in the third quarter of Fiscal Year 2021 (registering growth of 2.0% YoY). Similarly, throughput handled by our ports and terminals also have been improving and steeper than the major ports in India where it increased to 56.2 mmt (growth of 6.7% YoY) in the second quarter of Fiscal Year 2021 and 66.7 mmt excluding KPCL (growth of 19.7% YoY) and 76.5 mmt including KPCL (growth of 37.2% YoY) in the third quarter of Fiscal Year 2021, the extent of the pandemic's impact on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak and government response to control the spread of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving situation. See "*Our Business — Impact of COVID-19*" for more details.

As a result of the lockdown, restrictions on movement of cargo and personnel at our ports and facilities, we were not able to meet all the operating standards under the services contracts with some of our customers. In order to mitigate the risks of claims of damages from our customers, we had announced in March 2020 that a force majeure event had occurred under these contracts at certain of our ports including the Mundra Port, the Kandla Port and the Hazira Port, which continued for a few months.

Risks arising on account of COVID-19 can also threaten the safe operation of our ports and transport of cargo, cause disruption in operational activities, environmental harm, loss of life and injuries and adversely impact the wellbeing of our employees. These risks could have a significant adverse effect on our results of operations and could negatively impact our business, cash flows, financial condition and results of operations. Any resulting financial impact cannot be reasonably estimated at this time. The extent to which COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally including economic stimulus measures to contain the coronavirus or treat its impact, among others.

The pandemic may also adversely impact our ability to raise additional capital or require additional reductions in capital expenditures that are otherwise needed to implement our strategies. We intend to continue to execute our strategic plans and operational initiatives during the COVID-19 outbreak; however, the aforementioned uncertainties may result in delays or modifications to these plans and initiatives, which could have a material and adverse impact on our financial condition and results of operations.

We face a variety of risks in connection with our reliance on concessions, sub-concessions and licenses from government and quasi-governmental organizations. The terms of these agreements include certain events of default, the occurrence of which could adversely affect our business, cash flows and results of operations.

We operate and manage our business under concessions, sub-concessions and licenses granted by the relevant government agencies and concessionaires. We have entered into several concession and sub-concession agreements for the development, operation, maintenance and use of the facilities at Mundra Port, Dahej Port, Hazira Port, Murmugao Port, Vizag Port, Kandla Port, Dhamra Port, Vizhinjam Port, Kattupalli Port, Krishnapatnam Port and Ennore Port. The terms of these agreements include events of default, the occurrence of any of which entitles the relevant counterparties to take certain actions, including terminating such agreements. These events of defaults include:

- our failure, omission, neglect or negligence in complying with or performing any duties or obligations under the agreements, including the following:
    - incurring certain capital expenditures and providing ongoing services when in breach and penalty provisions for such breaches;
    - providing the right to exclusive use of our facilities for the respective counterparties, including particular vessel berths and moorings and container terminals; and
    - providing the right of first refusal for the usage of the additional capacity if we further expand or develop the facility;
- our failure to carry out the construction and implementation of the ports as specified in the respective detailed project report;
- our material breach of operations and maintenance requirements;
- our failure to make any required payment for the specified periods;
- our assignment of our rights, title and interest in the respective agreements without the prior written consent of the counterparties;
- our failure to maintain and repair assets of the port, as required;

- our use of the ports for purposes other than those allowed in the respective agreements without the prior written consent of the counterparties;

- our failure to achieve certain performance parameters, as indicated in the respective agreements;

- our creation of any encumbrance, charge or lien not otherwise permitted by the relevant agreements; and

- any reduction in shareholding of the Promoters below the limit specified in the relevant agreements.

The termination or suspension of an agreement as a result of the occurrence of an event of default, or otherwise, requires us to cease our operations at the relevant port and hand over possession of the facilities to the relevant counterparty. In addition, as a result of such event of default, the relevant government agencies and concessionaires have a right to step in. Further, we may, as part of our strategy, focus on operating ports and terminals which are readily accessible by large vessels, or may undertake other strategies, which may result in not meeting the performance requirements stipulated under the concession agreement. For example, Adani Vizag Coal Terminal Private Limited ("AVCTPL"), a subsidiary of the Company, is engaged in Port services under a concession agreement with one of the port trust authorities of the Government of India. On October 3, 2020, AVCTPL received a consultation notice for a shortfall in Minimum Guarantee Cargo from Visakhapatnam Port Trust. AVCTPL challenged the notice on the grounds that the alleged shortfall was during the period of a notice of force majeure on account of the COVID-19 pandemic, which was still continuing. However since the force majeure event has exceeded 120 days, AVCTPL has initiated termination of the concession agreement on mutual consent.

As a result of the occurrence of an event of default we would be required to terminate all contracts entered into with third parties in relation to the relevant port facilities and transfer all of our rights, titles and interests in all contracts, licenses, permits and insurance policies to the relevant counterparty in the agreement. Upon the termination of the agreement, we would generally have the option either to remove the movable assets we own on terms set out in the respective agreements or to transfer such assets to the relevant counterparty. Additionally, we are responsible for all defects and deficiencies in the ports for specified periods after termination and have the obligation to repair, at our own cost, all reasonable defects and deficiencies observed by an independent engineer or to reimburse the counterparty for repairs that it performs during such period. Cancellation, early termination or non-renewal of any such concession, sub-concession agreements or licenses or imposition of any further limitations could have an adverse effect on our ability to operate and manage our business and may have an adverse effect on our business, cash flows and results of operations.

Further, we cannot assure you that we will be able to renew these concessions, sub-concessions or licenses when they expire or, if renewed, that the terms of such renewed concessions, sub-concessions or licenses would be on terms as favorable to us. Any of these contractual provisions could reduce our revenues, hinder our ability to compete in the market, any of which in turn could have an adverse effect on our business, cash flows and results of operations.

We rely on a small number of customers and partners for a large proportion of our income.

We currently derive, and believe that we will continue to derive, a large portion of our income from a small number of customers, including power plants, commodity traders, leading state-owned petroleum refineries, Government-owned petroleum, oil and lubricant distribution companies, automobile manufacturers, shipping lines and container service providers. We expect that a large portion of our income will continue to be attributable to a limited number of customers in the immediate future.

Certain of our significant customer agreements allow our customers to terminate such contracts unilaterally. In addition, our significant customers may demand price reductions and value-added services for no additional charge, which could reduce our profitability. Any significant reduction in or the elimination of the use of the services that we provide to any of our customers, or any requirement to reduce

our prices, could adversely affect our profitability. In addition, adverse developments affecting our significant customers, such as bankruptcy, change of management, mergers and acquisitions, could also adversely affect our business.

The loss of, or significant decreases in the volumes from, or any adverse development concerning, our significant customers could have an adverse effect on our business, cash flows and results of operations.

Our senior management team and other key personnel in our business units are critical to our continued success and the loss of, or the inability to attract and retain, such personnel in the future could adversely affect our business, cash flows and results of operations.

Our future success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for the management and running of our daily operations and the planning and execution of our business strategy.

There is intense competition for experienced senior management and other key personnel with technical and industry expertise in the port business and, if we lose the services of any of our senior management and other key personnel or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired. The loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business, cash flows and results of operations.

Our performance also depends on our ability to attract and train highly skilled personnel. We are subject to laws and regulations governing relationships with employees, in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Any shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business, cash flows and results of operations.

The nature of the contracts we have with certain of our customers contain inherent risks such as a fixed-price clause for payments to us and certain rights for the counterparties, which, if exercised, could result in an adverse effect on our business, cash flows and results of operations.

We have entered into long-term contractual arrangements with some of our customers, including our long-term agreement for the operation of container services at Mundra Port and other operating ports and terminals, our agreements relating to the railway links and cargo services to and from Mundra Port and other port service agreements. We earn income from such customers comprising payments for services or royalties, which are generally based on a percentage of the revenues generated and the lease rent payable to us.

The commercial terms of such long-term agreements typically include fixed pricing based on number of units of cargo handled with limited CPI-based escalation clauses, thus exposing us to the risk that our actual expenses with respect to performance of the services under the terms of the engagement could be higher than we estimated at the time of entering into the contract. Our failure to estimate accurately the resources and time required for such contracts, future wage increases or currency fluctuations or failure to complete our contractual obligations may have an adverse effect on our business, cash flows and results of operations.

Further, pursuant to our obligations under such agreements, we have incurred, and may continue to incur, significant capital expenditures for the development of infrastructure and facilities. We may not be able to generate revenues commensurate to the capital expenditure incurred under these agreements. In addition, certain of our agreements with these customers contain preferential utilization clauses under which we are required to keep our capacities free for utilization by such customers. If such free capacities are not utilized by these customers, we will lose revenue that we could have earned from making these

capacities available to other customers. Any decrease in revenues from the customers with whom we have such long-term agreements may have an adverse effect on our business, cash flows and results of operations.

Although some of these customers have committed to provide us with a minimum volume of work and fees, there is no exclusive arrangement where such customers would be required to use only our facilities for additional cargo and other services beyond the minimum guaranteed volume.

We have a substantial amount of outstanding borrowings, which requires significant cash flows to service, and limits our ability to operate freely.

As at September 30, 2020, our total borrowings (indebtedness (excluding corporate guarantees)) outstanding were ₹365,174.6 million on a consolidated basis. The total borrowings (indebtedness) as at September 30, 2020 consisted of long-term borrowings, current maturities of long-term borrowings and short-term borrowings (excluding customers' bills discounted). The borrowings include Rupee loans, foreign currency loans, bonds, notes, debentures, commercial paper and the liability component of preference shares. For further details of our debt, see "*Description of Material Indebtedness*".

We intend to finance a majority of the cost of our planned capital expenditures and acquisitions through debt and therefore expect to incur substantial additional borrowings in the future. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Increasing our level of indebtedness also has important consequences to us such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to borrow additional funds; and
- increasing our interest expenditure.

We cannot assure you that we will generate sufficient cash to service existing or proposed borrowings or fund other liquidity needs, which could have an adverse effect on our business, cash flows and results of operations.

Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements, could adversely affect our business, cash flows and results of operations. Any breach of the terms under our financing arrangements could trigger cross-acceleration under our other financing arrangements, leading to termination of one or more of our financing arrangements.

Our financing agreements typically contain certain restrictive covenants and events of default that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. Such covenants include restrictions on:

- creating security over existing and future assets of our port facilities;
- incurring additional indebtedness or undertaking any guarantee obligations;
- making certain restricted payments;
- prepaying any indebtedness prior to its maturity date;
- investing in equity interests or purchasing assets, other than in the ordinary course of our business, unless certain conditions are satisfied;

- selling or disposing assets;
- materially altering our capital structure, management or constitution;
- changing or expanding our scope of business;
- entering into certain corporate transactions such as reorganizations, amalgamations and mergers; and
- pledging the shares of our Subsidiaries for financing of specific projects.

These agreements also require us to maintain certain financial ratios such as debt-equity and debt service coverage ratios. Our future borrowings may also contain similar restrictive provisions. Further, certain financing agreements require us to obtain consents from lenders for certain actions, including incurring further indebtedness, effecting any changes in our capital structure or shareholding pattern.

If we fail to meet our debt service obligations or covenants (or receive approvals from our lenders to undertake certain transactions) provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements, accelerate the maturity of our obligations or take over the financed project or other security made available to the lenders. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay borrowings.

Furthermore, certain of our financing arrangements may contain cross-acceleration provisions which could automatically trigger defaults under other financing arrangements. We may be forced to sell some or all of our assets if we do not have sufficient cash or credit facilities to make repayments.

Additionally, because some of our borrowings are secured against all or a portion of our assets, lenders may be able to sell those assets to enforce their claims for repayment. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, cash flows and results of operations.

We may be adversely affected by increases and changes in royalties and fees payable by us.

Our concession and sub-concession agreements and licenses require us to pay royalties and fees for the use of facilities at locations where our ports our situated. Pursuant to our concession agreement for Mundra Port and our sub-concession agreements for the terminals at Dahej and Hazira, we are required to pay concessional waterfront royalties on the cargo handled on a per tonne basis of cargo handled. We made an application dated March 12, 2013 regarding determination of waterfront royalty rates for the terminal at Hazira. Since the application is under review, we are currently paying the waterfront royalty rate that we have committed under the application and as per the interim approval granted by the Gujarat Maritime Board ("**GMB**"). The concerned authorities may declare a different rate for waterfront royalty which if higher will require us to pay the difference.

Under the terms of the Mundra Port concession agreement, we have a capital set-off option, which allows us to deduct our capital expenditures from the royalties payable by us until the capital set-off is completed at the Mundra Port. We are required to pay the full waterfront royalties after we have set off all the capital expenditures against payment of such royalties. Further, Mundra Port has undergone several expansions, and there is a risk that the capital expenditure incurred will not be enough and we will have to pay the full waterfront royalty before the end of concession period. In addition, these concession and sub-concession agreements also have certain escalation clauses in respect of royalties payable by us. An increase in the royalties or fees payable by us could have an adverse effect on our business and results of operations.

Some of our Subsidiaries are currently taking advantage of certain benefits and exemptions under the Income-tax Act which are subject to the policies and decisions of the income tax authorities.

We claimed benefits of tax incentives under section 80 IAB of the Income-tax Act until Fiscal Year 2017. We believe that we were entitled to the tax benefits under section 80 IAB of the Income-tax Act on our

entire income. The Central Board of Direct Taxes could have a contrary view in terms of the availability of tax benefits to us in respect of certain forms of income. Any ruling by the tax authorities to the contrary could have an adverse effect on our business, cash flows and results of operations.

While our aforesaid tax advantage expired in Fiscal Year 2017, some of our Subsidiaries will continue to receive certain tax advantages. Additionally, we have continuously paid MAT and hence, are eligible for MAT credit for the coming years, which would be available for set off up to 15 years. We intend on utilizing the entire MAT credit within the prescribed time period so that no MAT credit lapses. Therefore, there may not be a material increase in the tax liability until such time as we are able to set off our tax liability against available MAT credit. However, when such MAT credit expires or when the entire MAT credit is utilized, our tax expense could materially increase, thereby reducing our profitability. Further, there can be no assurance that we will be entitled to similar or other tax incentives in the future. When such tax incentives expire for all of our Subsidiaries, our tax expense on a consolidated basis could materially increase, thereby reducing our profitability.

We may enter into future acquisitions, the financing of which may adversely affect our liquidity and financial condition, and the unsuccessful integration of which could result in operating difficulties and adversely affect our business, cash flows and results of operations.

We explore opportunities to expand inorganically, and may enter into agreements to provide port, logistics and related services, or acquire facilities at new ports or logistics centers in the near future. The identification of suitable acquisition candidates can be difficult, time-consuming and costly. Acquisitions could result in, among other things, potentially dilutive issuances of our equity securities, the incurrence of debt and contingent liabilities, any of which could adversely affect our liquidity and financial condition. In addition, the process of integrating an acquired company or facilities, such as KPCL and the Krishnapatnam Port, is risky and may create unforeseen operating difficulties and expenditures, including:

- difficulties in integrating the operations, technologies, services and personnel of acquired businesses;
- additional financing required to make contingent payments;
- unavailability of favorable future financing;
- potential loss of key employees of acquired businesses and cultural challenges associated with integrating employees from the acquired company into our organization;
- inability to maintain the key business relationships and the reputations of acquired businesses;
- responsibility for liabilities of acquired businesses;
- diversion of management's attention from other business concerns;
- an inability to maintain our standards, controls, procedures and policies, which could impair our ability to assess the effectiveness of our internal control structure and procedures for financial reporting; and
- increased fixed costs.

Our investments in developing additional services, facilities and sources of income for our port business may not be successful.

We continue to make investments in additional services and facilities in order to further diversify and grow our operating income. We believe that continued expansion is essential for us to remain competitive and to capitalize on the growth potential of our industry.

Our current expansion plans include:

- developing a LNG terminal at Dhamra Port;
- developing incremental dry and liquid bulk cargo handling facilities at our ports, including at Dhamra Port, and Krishnapatnam;
- the acquisition of Dighi Port;
- developing a second railway line at Dhamra Port;
- developing dedicated infrastructure for HPCL Rajasthan Refinery Ltd (HRRL) at Mundra;
- developing a container terminal at Yangon Port in Myanmar;
- developing a container terminal at Vizhinjam Port; and
- pursuing commercially sustainable opportunities to invest in logistics facilities (including land for logistics and warehousing, rakes), technologies, green port initiatives, dredgers, tugs and other assets.

Our future expansion plans will involve significant capital expenditures and operational and management resources. However, we may not be successful in expanding our services and diversifying our income, which could have an adverse effect on our business, cash flows and results of operations. We may not be successful in implementing these expansion plans and there could be significant delays, disruptions or cost overruns which could have an adverse effect on our business and financial condition. In general, the success of these and other projects is dependent on a variety of factors, including obtaining the relevant approvals from the concerned authorities in a timely manner, the timely completion of the project, the ability to complete the development of the project without cost overruns and the demand for our services once the project is operational. For example, Adani Vizhinjam is in the process of constructing a container terminal at the Vizhinjam Port. There has been a delay of more than a year in completing construction of the project from the scheduled commercial operation date ("**COD**") stipulated under the relevant concession agreement ("**Agreement**"). We believe that the delay in achieving the COD was due to various reasons including change in laws and occurrence of various force majeure events during the construction of the project, which have been communicated to the concessioning authorities. However, the COD for the project has not been revised by the concerned authorities. Adani Vizhinjam has issued dispute/conciliation notices to the concerned government authorities and initiated arbitration proceedings under the Agreement for resolving the dispute regarding the COD. Under the terms of the Agreement, the authorities have the right to take certain adverse action including termination of the Concession Agreement and levying liquidated damages for delay in project completion. Any adverse outcome in the arbitration proceedings or any failure to get additional time to complete construction of this project, cancellation of the Agreement or imposition of penalty by the concerned authorities could have an adverse effect on our business, financial condition, cash flows and results of operations.

We are often required to enter into binding contracts with potential partners and customers to complete such projects and provide such services. We may not be able to negotiate such contracts on terms favorable to us, or at all, or complete the development of the project within the time anticipated, or at all. Any resulting delay or failure to complete a project or deliver additional services may adversely affect our competitiveness and our business, cash flows and results of operations.

Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, cash flows and results of operations.

We have experienced considerable operational and financial growth in recent years, and we have significantly expanded our operations and services. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our business further.

Our inability to maintain our utilization rates or manage our expansion effectively and execute our growth strategy could have an adverse effect on our business, cash flows and results of operations. We intend to continue expansion to pursue existing and potential market opportunities. Our future prospects will depend on our ability to grow our business and operations in India. The development of such future business could be adversely affected by many factors, including general political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and construction materials, fuel supply and currency exchange rates.

Our current and future expansion plans required for future growth may require significant capital. If we are unable to raise additional capital, our business prospects could be adversely affected.

We operate in a capital intensive industry, which requires substantial levels of funding. For example, we are currently developing a container terminal at Vizhinjam Port, a container terminal at Yangon Port in Myanmar, a second railway line and LNG terminal at Dhamra and other initiatives (including logistics facilities, rakes and tugs) which requires significant capital expenditure.

We cannot assure you that we will have sufficient capital resources for these new expansion plans or any future expansion plans that we may have. While we expect our cash on hand, cash flow from operations and available borrowings under our credit facilities to be adequate to fund our existing commitments, our ability to pay these amounts is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing or the inability of one or more of our financiers to provide committed funding could adversely affect our ability to complete expansion plans. Moreover, we cannot assure you that market conditions and other factors would permit us to obtain future financing on terms acceptable to us, or at all. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, if we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our shareholders may be diluted. If we decide to meet our capital requirements through debt financing, our interest obligations will increase and we may be subject to additional restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business prospects could be adversely affected.

Our port services, logistics operations and other operations are subject to operational risks such as breakdown of equipment, accidents, labor disputes and natural disasters. If any of these risks were to materialize, our business, cash flows and results of operations could be adversely affected.

The operation of our port services, comprising handling of bulk goods, container handling, warehousing, customs inspection and other operations, may be adversely affected by many factors, such as the breakdown of equipment, accidents, fatalities, labor disputes, natural disasters, increasing government regulations, lack of qualified equipment operators and a downturn in the overall performance of the container and shipping industry. For example, in Fiscal Year 2020, there were five fatalities of contract labor working at our facilities due to the occurrence of natural disasters and uncontrollable circumstances at our ports.

Further, our business requires individuals to work with potentially hazardous materials, which may be volatile and often highly flammable. If improperly handled or subjected to unsuitable conditions, such materials could impair the operations at our ports. This could lead to disruptions in our business and expose us to legal and regulatory costs and liabilities, which could adversely affect our results of operations and reputation.

In addition, our business relies on a number of third parties involved in activities such as stevedoring, handling of liquid cargo, hiring of equipment and vehicles, survey of ships, supply of water and provision of transportation and evacuation services from our ports and contract labor. The failure or inability of these parties to provide the required services efficiently, or at all, could disrupt our operations and, thus, have an adverse effect on our business, cash flows and results of operations.

We face risks related to our joint ventures and certain key strategic arrangements such as non-cooperation or non-compliance, or financial difficulties faced, by our partners. If any of these risks were to materialize, our business, cash flows and results of operations could be adversely affected.

Certain of our operations are conducted through joint ventures and strategic arrangements. Cooperation among our joint venture and other partners on existing or future projects is an important factor for the smooth operation and financial success of such projects. Our joint ventures and strategic arrangements may involve risks associated with the possibility that any joint venture or other partner may (i) have economic or business interests or goals that are inconsistent with ours, (ii) be unable or unwilling to fulfill their obligations under the relevant joint venture or other agreements, or (iii) experience financial or other difficulties. Further, we may not have majority control of our joint ventures or otherwise be able to control the decision-making process of our joint ventures. We do, however, through contractual provisions or representatives appointed by us, typically have the ability to influence certain material decisions. No assurance can be given that disputes will not arise in the future and that such disputes will not result in an adverse effect on our business, cash flows and results of operations.

The development of a multi-product special economic zone is subject to various contingencies, uncertainties and competition, which may adversely affect our business prospects.

We have established a multi-product special economic zone ("**SEZ**") in an area measuring 8,481.28 hectares (including 168 hectares that are sector specific) covering Mundra Port and the surrounding areas. As a result, we benefit from several fiscal incentives such as exemptions from income tax and duties. GOI policies relating to SEZs, including the norms for land development and usage, compensation payable for land holdings and the fiscal incentives available to SEZs, may change, which could have an adverse effect on our SEZ development plans, and adversely affect our business and results of operations.

Further, SEZ projects usually involve a long development period and are subject to a variety of risks, which are not within our control. These include construction delays, unanticipated cost increases and changes in the regulatory and business environment, which may adversely affect our business, cash flows and results of operations.

A large number of SEZs have been approved since the SEZ Act was enacted. This is likely to result in increased competition among different SEZs to attract manufacturing and industrial units. Any inability on our part to compete with other SEZs in terms of quality infrastructure and other incentives to attract potential customers may adversely affect our proposed SEZ plans.

Our business and facilities may be adversely affected by severe weather conditions and natural disasters.

Severe weather conditions, resulting in conditions such as dense fog, low visibility, heavy rains, wind and waves, may force us to temporarily suspend operations at our ports. In some cases, we may temporarily suspend operations based on warnings from local and national meteorological departments. If weather conditions of any type were to force our ports to close for an extended period of time, our business may be adversely affected. For example, we voluntarily suspended operations at each of the Mundra, Tuna and Dhamra Ports for approximately 36 hours due to cyclones in 2019. Similarly, we experienced delays in the construction of the Vizhinjam Port due to stoppage of work as a result of cyclone Ockhi in 2017, extreme weather conditions in 2018 and due to government imposed lockdowns to contain the spread of COVID-19 in 2020. In addition, any weather condition, including but not limited to severe monsoons and flooding, that affects ports that serve as starting points or final destinations for shipping lines could harm our business.

Our operational facilities may be damaged in natural disasters such as earthquakes, tsunamis, tornados, hurricanes and cyclones. Such natural disasters in India, or in Southeast Asia, may lead to a disruption of transportation networks, information systems and telephone service for sustained periods of time. Damage or destruction that interrupts our business operations may cause us to incur substantial additional expenses to repair or replace damaged facilities or equipment. We may also be liable to our customers for disruption

in our operations resulting from such damage or destruction. While we currently have commercial liability insurance, our insurance coverage may not be sufficient. Furthermore, we may not be able to secure any additional insurance coverage on commercially reasonable terms or at all. Prolonged disruption of our operations as a result of natural disasters would also entitle our customers to terminate their contracts with us, which may have an adverse effect on our business, cash flows and results of operations.

We may not be successful in implementing our global expansion strategy effectively, which could have a material adverse effect on the long-term growth of our business, our financial condition and results of operations.

As part of our expansion strategy, we focus on new markets in India and outside India for our operations. As we grow our business, we expect to encounter additional challenges to our operations, internal processes, external construction management, capital commitment process, project funding infrastructure, financing capabilities and regulatory compliance. Our existing operations, personnel, systems and internal controls may not be adequate to support our growth and may require us to make additional unanticipated investments in our infrastructure. To manage the future growth of our operations, we will be required to improve our administrative, operational and financial systems, procedures and controls, and expand, train and manage our growing employee base. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, execute our business strategies successfully or respond to competitive pressures. As a result, our business, prospects, financial condition and results of operations could be materially and adversely affected. Additional difficulties executing our growth strategy, particularly in new geographical locations, may include, among other things, accurately prioritizing geographic markets for entry, including estimating addressable market demand; obtaining construction, environmental and other permits and approvals; managing local operational, capital investment or sourcing regulatory requirements; adopting changes in foreign currency controls and foreign exchange policy; managing fluctuations in the economy and financial markets, as well as credit risks; managing possible unfavorable labor conditions or employee strikes; and sourcing cost-competitive financing on attractive terms. To the extent that our operations are affected by unexpected and adverse economic, regulatory, social and political conditions in the countries in which we operate, or as a result of COVID-19, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could materially and adversely affect our business, financial condition and results of operations.

Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Our business is dependent on technology. See "*Our Business — Information Technology and Computer Systems*". To maintain the competitiveness of our business, we need to keep pace with technological developments and changing standards. If we are unable to adequately respond to the technological changes and the technologies currently employed by us become obsolete, our business, financial condition, cash flow and results of operations may be materially and adversely affected. In addition, the cost of implementing new technologies and upgrading our facilities to keep pace with technological developments may be significant and may adversely affect our results of operations.

Some of our recent technology and automation implementation for our logistics business may not result in the expected efficiencies and benefits we anticipate, which could adversely affect our operations and financial condition. Further, technology is susceptible to outages and technical vulnerabilities, which may result in us incurring additional expenses from time to time. The technology implemented by us is developed by third-party vendors, on whom we rely for the maintenance of our technology, which may result in us incurring additional costs in carrying out such maintenance from time to time. While our maintenance costs typically account for a small portion of our expenses, we may experience significant costs if large-scale maintenance of our technology is required.

We are also subject to hacking or other breaches of our IT systems. Although we have anti-virus and anti-hacking measures in place, we cannot assure you that we can successfully block and prevent all

hacking or other breaches. As a result, failure to meet our customers' technological demands or to protect against technological disruptions of our operations or operations of our customers could materially and adversely affect our business, financial condition and results of operations.

Upgrading or renovation works or physical damage to our port terminals may disrupt our operations.

Our ports and terminals may need to undergo upgrading or renovation works from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new laws or regulations. Our ports and terminals may suffer some disruptions and it may not be possible to continue operations on areas affected by such upgrading or renovation works. Any physical damage to our terminals resulting from, among other things, fire, severe weather or other causes may lead to a significant disruption to business and operations and, together with the foregoing, may result in unforeseen costs which may have an adverse effect on our business, cash flows and results of operations.

We rely on security procedures at other facilities or by our customers, which are outside our control.

We inspect the physical condition of cargo that enters our ports or logistics centers in accordance with our own practice and the inspection procedures prescribed by, and under the authority of, the relevant regulations. We also rely on the security procedures carried out by our customers on our logistics and the relevant port facilities that cargo, especially containers, have previously passed through to supplement our own inspection to varying degrees.

However, there can be no assurance that the cargo that passes through or received at our ports or logistics centers will not be adversely affected by breaches in security or acts of terrorism, either directly or indirectly, in other areas of the supply chain, which would have an adverse effect on our operations. A security breach or act of terrorism that occurs at one or more of the facilities, or at another port facility that has handled cargo prior to the cargo arriving at our port facilities, could subject us to significant liability, including the risk of litigation and loss of goodwill.

Claims made against us, our directors and/or other Adani Group companies from time to time can result in litigation or regulatory proceedings which could result in liability or harm our reputation.

From time to time, we and/or our directors and management are involved in litigation, claims and other proceedings relating to the conduct of our business, including environmental claims, non-compliance with provisions of our various licenses, tax disputes, and proceedings involving the securities dealings of our directors. Any claims could result in litigation against us and could also result in regulatory proceedings being brought against us by various Government and state agencies that regulate our business, including the MoEF, the respective state pollution control boards, the Ministry of Commerce, Directorate of Revenue Intelligence, the Serious Fraud Investigation Office, the Ministry of Home Affairs and SEBI. Often these cases raise complex factual and legal issues, which are subject to risks and uncertainties and which could require significant time from our directors and/or our management. Litigation and other claims and regulatory proceedings against us or our management could result in unexpected expenses and liability and could also materially adversely affect our operations and our reputation. For further details, see "*Legal Proceedings*".

Adani Group companies from time to time are involved in litigation, claims and other proceedings relating to the conduct of their businesses, including environmental claims, proceedings relating to abuse of market position, tax disputes and proceedings involving securities dealings by other Adani Group companies and/or their directors. Any claims could result in litigation and/or regulatory proceedings against the Adani Group, which could harm our reputation as a member of the Adani Group and ultimately materially adversely affect our operations.

Any disruption to the steady and regular supply of labor for our port operations or our inability to control the composition and cost of our labor force could adversely affect our business, cash flows and results of operations.

We had 2,342 full time employees as at September 30, 2020. We also use contract workers for discrete assignments. Although we maintain cordial relations with these employees, there can be no assurance that our cordial relations will continue in the future. We cannot assure you that we will not experience disruptions in our operations due to disputes or other problems with our workforce, which may adversely affect our business, cash flows and results of operations.

Although we engage contract laborers only for discrete assignments, it is possible under Indian law that we may be held responsible for wage payments to laborers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our results of operations. Furthermore, pursuant to the provisions of the Contract Labor (Regulation and Abolition) Act, 1970, we may be required to absorb a portion of such contract laborers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business, cash flows and results of operations.

Further, work stoppages or slowdowns experienced by us could result in slowdowns or closures of our ports, which could have an adverse effect on our business, cash flows and results of operations.

Our operations are subject to extensive environmental and other related regulations and policies.

Our business and operations are subject to various environmental risks such as oil spills and disposal of hazardous waste and chemicals. We, like other port operators and manufacturers in India, are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal. These laws, rules and regulations also prescribe the punishments for any violations. While we believe that our facilities are in compliance in all material respects with applicable environmental laws and regulations and we have obtained the requisite permissions and clearances in this regard, we may incur additional costs and liabilities in relation to compliance with these laws and regulations or any remedial measures in relation thereto. For instance, the MoEF passed an order on September 18, 2015, directing us to take various environmental measures with respect to port facilities at Mundra. For further details, see "*Legal Proceedings"*. These additional costs and liabilities could be on account of penalties, fines, remedial measures and clean-up liabilities or due to compliance with more onerous laws, regulations or directions, and could have an adverse effect on our business, financial condition, cash flow and results of operations.

Additionally, we are currently involved in disputes involving breach of environmental regulations, including disputes relating to our port operations, which are pending in various courts in India, such as the consent to operate related matters involving Adani Murmugao before the Panaji Bench of the Bombay High Court and other authorities. For details in relation to our material environmental disputes, see "*Legal Proceedings*". If any of these disputes is decided against us, we may be subject to fines and other penalties, including suspension of our operations, cancellation of our approvals and undertaking remedial procedures. Any such additional costs or liabilities could have an adverse effect on our business, financial condition, cash flow and results of operations.

Moreover, the laws and regulations under which we operate are subject to change and any change to these laws and regulations could adversely affect our business, cash flows and results of operations. For example, the GOI introduced the Indian Ports Bill in the Indian Parliament to consolidate the Indian Ports Act and the Major Ports Act into a single piece of legislation that would be applicable to Major Ports as well as Non-Major Ports, whether public or private. The Indian Ports Bill contains enhanced penalties and fines compared to those specified in the Indian Ports Act. Even though the Indian Ports Bill lapsed in the Indian Parliament, if it is reintroduced and subsequently enacted, and we are found to be in violation of the provisions of the enacted legislation, certain penalties or terms of imprisonment may be imposed thereunder, which could adversely affect our business, cash flows and results of operations.

Similarly, the Major Port Authorities Bill, 2020 seeks to replace the Major Ports Act, 1963 and proposes to create a "Board of Port Authority" that will be empowered to determine port tariffs for Major Ports, including services offered by the private sector companies at such Major Ports. Currently, the Major Port tariff is fixed by the Tariff Authority for Major Ports ("**TAMP**"). If the Major Port Authorities Bill, 2020 is reintroduced and subsequently enacted, the Board of Port Authority would be empowered to set tariff rates for services in Major Ports that are significantly different from the prevailing guidelines issued by TAMP, which may adversely affect our business, cash flows and results of operations.

Land-related disputes could adversely affect our expansion and development plans.

We are involved in certain land-related disputes which are pending in various courts in India including disputes in relation to allotment of land to us for certain of our ports. For further details in relation to our material land disputes, see "*Legal Proceedings*". If any of these disputes are decided against us, we could face difficulties in pursuing our expansion plans and development activities, which could have an adverse effect on our business, cash flows and results of operations.

We may not have adequate insurance to cover all losses we may incur in our business operations or otherwise.

Operations in our port business, and specifically the cargo handling operations, carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. We maintain insurance coverage in such amounts and against such risks which we believe are in accordance with industry practice. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation.

In addition, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our reputation, business and results of operations. Further, failure to maintain adequate insurance can also trigger a breach of the relevant concession or sub-concession agreements which could impair our ability to operate. Additionally, as at September 30, 2020, we had pending claims amounting to ₹920.98 million in respect of insurance policies. We cannot assure you that any claim under the insurance policies maintained by us will be honored fully or on time. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have an adverse effect on our business, financial condition, cash flows and results of operations.

We operate in a competitive environment and, if we are not able to compete effectively, our business, cash flows and results of operations may be adversely affected.

We compete primarily against Non-Major Ports and Major Ports that cater to the hinterlands of north, west and central India. Competition is based primarily on the characteristics and location of the ports, including capacity, congestion, ability to berth large vessels, proximity and connectivity to inland cargo centers and refineries. Some of these ports have significant financial resources, marketing and other capabilities. In India, some domestic competitors may have extensive local knowledge and business relationships and a longer operational track record in selected areas of the domestic market than us. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market. As a result, there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

Competition may increase as a result of the development of new ports in India. In addition, port operator companies from other countries that establish operations in India may compete with us, particularly if they

are more efficient and have lower costs. Current and future competitors may also introduce new and more competitive port services, make strategic acquisitions or establish cooperative relationships among themselves or with third parties, thereby increasing their ability to address the needs of our target customers. We cannot assure you that we will be able to retain our customers as a result of increased competition. If we lose customers as a result of competition, our market share will decline. If we cannot compete in providing competitive port services or expand into new markets, this could have an adverse effect on our business, cash flows and results of operations.

Similarly, we may face competition from a number of international and domestic port based logistics service providers. Some of our competitors may have significantly greater financial and marketing resources and operate larger networks than we do. If we cannot maintain, or gain, sufficient market presence or are unable to differentiate ourselves from our competitors, we may not be able to compete effectively. Further, if we cannot maintain cost competitiveness within the logistics industry, including if we choose to expand and incur excessive fixed costs or if we experience a disproportionate increase in costs in comparison to our competitors, our customers could choose to service their logistics needs with our competitors rather than us.

If our contingent liabilities materialize, our results of operations could be adversely affected.

Our contingent liabilities include various matters pending with certain authorities, including service tax/GST authorities and income tax authorities, civil suits filed by customers, pending export obligations under the Export Promotion Capital Goods ("**EPCG**") scheme, and other claims against us are not acknowledged as debts. For further details on the nature of our contingent liabilities, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources — Contingent Liabilities*". If these or any other contingent liabilities materialize, our results of operations could be adversely affected.

We have loans to third parties outstanding, the non-payment of which could adversely affect our results of operations.

From time to time, we extend loans on which we receive interest from third parties, as a means of investing our unutilized cash. As at September 30, 2020, we had ₹17,550.7 million in loans (intercorporate deposits) to third parties outstanding (excluding ₹62,030 million in loans given in relation to the KPCL acquisition to repay KPCL's indebtedness from various external lenders). These intercorporate deposits are unsecured and if borrowers under these intercorporate deposits do not fulfill their obligations as expected, or at all, we will have no access to any security. The non-payment of these intercorporate deposits could adversely affect our results of operations and cash flows.

Our Promoters and members of the Promoter Group own a majority shareholding in us, which allows them to exercise significant influence over us.

Our Promoters and the members of our Promoter Group own approximately 63.65% of our Equity Share capital as at September 30, 2020 and therefore exercise significant influence over our business policies, affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions, joint ventures or the sales of substantially all of our assets and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and members of the Promoter Group. The interests of our Promoters and members of the Promoter Group may not necessarily be aligned with our interests or the interests of our creditors.

We have related party transactions and will continue to do so in the future.

We have entered into transactions with other Adani Group companies in the ordinary course of our business, such as the recent acquisition of Adani Agri from AEL. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not

have achieved more favorable terms had such transactions been entered into with third parties. Furthermore, it is likely that we will enter into related party transactions, in the ordinary course of our business, in the future. Even though we have voluntarily introduced a policy on related party transactions for acquiring and selling assets, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business, cash flows, results of operations or on our expected ratings.

We do not own the "adani" trademark, name or logo and our ability to use the trademark, name or logo may be impaired.

The "adani" trademark, name and logo do not belong to us. S.B. Adani Family Trust ("**SBAFT**"), a member of our Promoter Group, has applied for the "adani" trademark, which is pending with the trademark registry. We do not have a formal agreement with, or pay, SBAFT for the use of the "adani" trademark, name or logo. If SBAFT withdraws the "adani" trademark or if its application for the "adani" trademark is rejected, we will not be able to use the "adani" trademark, name or logo in connection with our business and, consequently, we may be unable to capitalize on the brand recognition associated with the "adani" trademark.

Further, we cannot assure you that the "adani" trademark, name or logo will not be adversely affected in the future by events such as actions that are beyond our control, including action or inaction of entities using the "adani" trademark, name or logo, regulatory actions against such companies or adverse publicity from any other source. Any damage to this trademark, name or logo, if not immediately and sufficiently remedied, could have an adverse effect on our financial condition, cash flows and results of operations.

If we are unable to obtain required approvals and licenses or renewals thereof in a timely manner, our business and operations may be adversely affected.

We require certain approvals (including environmental approvals), licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval. Additionally, we may need to apply for further approvals in the future including for the expansion of our facilities or for renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. For example, we have applied to the MoEF for grant of terms of reference for the expansion of the Kattupalli Port. If we are unable to obtain the approval within the anticipated timeframe, it could have an adverse effect on our business, financial condition, cash flow and results of operations. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not impose onerous requirements and conditions on our operations or would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Failure by us to renew, maintain or obtain, or any suspension or revocation of, the required permits or approvals at the requisite time may result in stringent restrictions or interruption in all or some of our operations and may have an adverse effect on our business, financial condition, cash flow and results of operations.

Third party statistical and financial data in this Offering Circular may be incomplete or unreliable.

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Offering Circular consists of estimates based on data reports compiled by professional organizations and analysts, data from other external sources and our knowledge of the markets in which we compete. We have not independently verified data obtained from industry publications and other sources referred to in this Offering Circular and, therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate in this Offering Circular are subject to the caveat that the statistical and other external data upon which such discussions are based may be incomplete or unreliable. In many cases, there is no readily available external information (whether from trade or industry

associations, government bodies or other organizations) to validate market-related analyses and estimates, so we rely on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and we cannot assure potential investors as to their accuracy.

Risks Related to India

Our growth is dependent on the factors affecting the Indian economy.

The performance and the growth of our business is dependent on the performance of the Indian economy which, in turn, depends on various factors. The Indian economy has been affected by global economic uncertainties, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture and various other factors. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes upon the Indian economy and, consequently, our business.

Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy, and the GOI's policy may change in response to such conditions. See "— *Risks Related to India — Financial instability in other countries may cause increased volatility in Indian financial markets.*" While recently the GOI has been encouraging private participation in the industrial sector, any adverse change in policy could result in a further slowdown of the Indian economy. In addition, these policies will need continued support from stable regulatory regimes that stimulate and encourage the investment of private capital into industrial development. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any downturn in the macroeconomic environment in India could materially and adversely affect our business, financial condition, cash flows and results of operations.

The lack of an efficient transportation network and reliable transportation infrastructure in India or inadequacies in the connectivity of our ports to the Indian road and rail network may have an adverse effect on us.

We rely on and benefit from transportation and logistics networks, and the connectivity and conditions of the road, rail and general transportation infrastructure in India. Generally, the investment in, and maintenance of, transportation infrastructure in India has been poor compared to developed countries.

Inadequacies in the transportation infrastructure in India may result in delays in our deliveries or schedules. While the GOI has announced and implemented several initiatives such as the "python", or long-haul, trains operated by the Indian Railways which can carry up to 90 wagons, to improve the transportation infrastructure in the country, improvement in such infrastructure will involve major capital expenditure and policy and administrative focus. We cannot assure you that the road, rail and general transportation infrastructure will improve to a level or be maintained at such level that would result in improvement in our business or that the planned improvements to such infrastructure will be completed in a timely manner, or at all. Moreover, as we continue to expand our operations, we cannot assure you that our evacuation infrastructure will be able to accommodate an increase in the volume of cargo handled.

We have made, and will continue to make, transportation and infrastructure investments to improve the connectivity of our ports with the inland regions of India. Under our long-term arrangement with the Indian Railways, we have invested in Kutch Railway Corporation Limited for the purpose of upgrading the railway infrastructure connecting Mundra Port to Adipur. We may also make additional investments to make transportation of cargo from Mundra Port to interior parts of India more efficient. Similarly, we have also invested in a special purpose vehicle incorporated to upgrade the existing narrow-gauge railway line to broad gauge, from Dahej Port to Bharuch. We also own a 63 kilometer railway line, for better connectivity to evacuate cargo from Dhamra Port. However, our or the GOI's investments in improving

the connectivity between our ports and the inland regions of India may not be successful or be completed in a timely manner, which could have an adverse effect on our business, cash flows and results of operations.

A decline in India's foreign exchange reserves may adversely affect liquidity and interest rates in the Indian economy, which could have an adverse impact on us. A rapid decrease in reserves would also create a risk of higher interest rates and a consequent slowdown in growth.

India's foreign exchange reserves stood at U.S.$585.32 billion as at January 1, 2021. Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition and results of operations.

Political instability or significant changes in the economic liberalization and deregulation policies of the GOI or in the states where we operate could disrupt our business.

Our Company is incorporated in India and we derive a material portion of our revenue from India. In addition, a significant portion of our assets are located in India. Consequently, our business and financial performance may be adversely affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The GOI has traditionally exercised and continues to exercise significant influence over many aspects of the Indian economy. Our businesses may be adversely affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. India has been following a course of economic liberalization and our businesses could be significantly influenced by economic policies followed by the GOI, including fiscal and economic policy, industrial policy, direct and indirect taxes and the foreign trade policy. In particular, changes to the foreign trade policy could significantly impact the volumes of cargo we handle at our ports. Further, our businesses are also impacted by regulation and conditions in the various states in India where we operate. In addition to the foreign trade policies of India, which have a direct impact on our operations, we might also be impacted by the trade policies of other countries with whom India has trade relations. Adverse trade policies implemented by other countries due to the COVID-19 pandemic might adversely affect the traffic at our ports, and accordingly, adversely affect our business and results of operations.

However, we cannot assure Noteholders that such policies will continue in the future. GOI corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the business in which we operate, could disrupt business and economic conditions in India generally and our business in particular.

Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.

Our business and operations are governed by various laws and regulations. Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to the business.

For example, the Code on Wages, 2019, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Social Security, 2020 which propose to

subsume the majority of the existing labor laws in India have received the assent of the President of India. The provisions of these codes will be brought into force on a date to be notified by the Central Government.

Further, the statutory corporate income tax in India in the case of a domestic company, which includes a surcharge on the tax and a health and education cess on the tax, may range up to 34.94 per cent. Domestic companies also have an option to pay a reduced statutory corporate income tax at rates up to 25.17 per cent. (inclusive of surcharge and health and education cess), provided such companies do not claim certain specified deduction or exemptions.

In addition to the corporate income tax, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Non-resident investors may be able to claim benefit, if any, under the applicable Tax Treaty read with Multilateral Instruments ("**MLI**"), if and to the extent applicable. The company is required to withhold tax on such at specified rates. Any future changes to the taxability of dividends or corporate tax rates may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Further, the Goods and Services Tax ("**GST**"), with effect from July 1, 2017 subsumed most of the indirect taxes such as service tax, value added tax/central sales tax, entry tax, excise duty, etc., previously levied by the central or state governments, into a unified system of indirect taxation.

In India, transactions in securities are outside the purview of GST legislations. Under the Integrated GST Act, any supply of goods or services or both to a SEZ or a SEZ unit shall be treated as zero rated supply. The Ministry of Commerce of the GOI introduced amendments in the SEZ policy, in view of aligning the same with the GST legislations. Any change or any ambiguity regarding the present tax regime may in increase in our tax cost, which may adversely impact our businesses.

Further, the General Anti-Avoidance Rules ("**GAAR**") came into effect from April 1, 2017. Under the GAAR regime, the tax authorities are empowered to deny tax benefits to transactions or arrangements which do not *inter alia* have any commercial substance, other than achieving the tax benefits. In the absence of sufficient precedents on the subject, the application of these provisions is uncertain. If we enter into any transaction to which GAAR provisions are applicable, it may have an adverse tax impact on us.

Furthermore, SEBI notified the SEBI LODR Regulations in 2015. The SEBI LODR Regulations changed the framework governing listed companies, including the introduction of certain additional requirements such as disclosure of material events or information, and making prior intimations of certain proposals to raise funds. We may face challenges in interpreting and complying with such provisions. For instance, the BSE and NSE imposed a fine on us for the delay in the appointment of an independent director on our Board. We have paid the fine in protest and have also appointed an independent director to comply with the SEBI LODR Regulations. Further, to ensure compliance with the requirements of the SEBI LODR Regulations, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

Further, the GOI recently amended the Indian Stamp Act, 1899 to provide that the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. It also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. Further, in case of change in records maintained with the depository as a result of issue of securities, stamp duty will be paid by the issuer. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

The GOI also amended its tax residency rules with effect from April 1, 2017. Previously, a foreign company could be a tax resident of India only if its control and management was situated wholly in India. Under the amended rules, a company is treated as tax resident of India if (i) it is an Indian company; or (ii) its place of effective management ("**POEM**") in the relevant year is in India. POEM is defined in the Income-tax Act to mean a place where key management and commercial decisions that are necessary for

the conduct of the business of an entity as a whole are, in substance, made. The GOI also issued the final guidelines for determining the POEM of a company on January 24, 2017. The applicability of the amended rules and the treatment of our subsidiaries outside India under such rules is uncertain and may have a material adverse effect on our business, financial condition, cash flows and results of operations.

There can be no assurance that the GOI or state governments will not implement further new regulations and policies, which will require us to obtain approvals and licenses from the GOI, state governments or other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition, cash flows and results of operations.

The insolvency laws of India and other local insolvency laws may differ significantly from those of other jurisdictions with which the Noteholders are familiar.

As the Issuer is incorporated under the laws of India, any insolvency proceeding relating to us would likely involve the insolvency laws of India, the procedural and substantive provisions of which may differ significantly from comparable provisions of the local insolvency laws of jurisdictions with which the Noteholders are familiar. Further, the insolvency and bankruptcy regime in India was implemented in 2016 and is still evolving. The insolvency laws have already been amended several times in consideration of industry requirements and best practices. Potential investors should analyze the risks and uncertainties carefully before making an investment in the Notes.

If regional hostilities, terrorist attacks or social unrest in India increase, our business could be adversely affected and the trading price of the Notes could decrease.

India has from time to time experienced instances of social, religious and civil unrest and hostilities with neighboring countries. Military activity or terrorist attacks in the future could adversely impact the Indian economy by disrupting communications and making travel more difficult, and such tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could adversely impact the Indian economy and our revenue, operating results and cash flows. For example, the recent unrest on the Indo-China border led to retaliation by India and escalated hostilities between India and China. Further, India has also experienced social unrest in some parts of the country. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of the Notes.

Natural disasters could have a negative impact on the Indian economy and cause business to suffer.

Natural disasters such as floods, earthquakes or famines have in the past had a negative impact on the Indian economy. Potential effects may include damage to infrastructure and loss of business continuity and business information. If our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition, results of operations, cash flows and prospects. Although we have insurance coverage to mitigate the effects of such risks, the occurrence of any such events may nonetheless materially and adversely affect our business.

Countries around the world, including India, are susceptible to contagious diseases and, have in the past been subject to outbreaks of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. The World Health Organization and other agencies have recently issued warnings on the COVID-19 virus and on a potential avian or swine influenza pandemic if there is sustained human-to-human transmission. A worsening of the current outbreak of the COVID-19 virus or future outbreaks of the COVID-19 virus, avian or swine influenza or other contagious diseases could adversely affect the

Indian economy and economic activity in the region. As a result, any present or future outbreak of the COVID-19 virus, avian or swine influenza or other contagious diseases could have a material adverse effect on our business.

Any downgrading of India's debt rating could have a negative impact on our business and the trading price of the Notes.

India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). Any adverse revisions to India's credit ratings by international rating agencies may adversely affect our credit ratings and the ratings of the Notes as well as terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could adversely affect our business and future financial performance and our ability to obtain financing for capital expenditure, as well as the trading price of the Notes.

Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and Asia. Financial turmoil or instability and loss of investor confidence in Asia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby adversely impact the Indian economy. Financial disruptions in the future could adversely affect our business, future financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

For instance, following a national referendum and enactment of legislation by the government of the United Kingdom, the United Kingdom formally withdrew from the European Union on January 31, 2020 and entered into a transition period that ended on December 31, 2020. While a deal was agreed between the United Kingdom and the European Union on 24 December 2020 which covers certain trade agreements and other relationships between the United Kingdom and the European Union, significant political and economic uncertainty remains with regards the future relationship between the United Kingdom and the European Union and whether this will differ materially from the terms before withdrawal, and decisions are still to be made on certain regulations such as data sharing and financial services between the United Kingdom and the European Union. These developments, and the uncertainty of the economic impact such developments may have may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital.

Further, trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing

effects. Any significant financial disruption could have an adverse effect on our cost of funding, business, financial performance and the trading price of the Notes.

Due to lockdown and restrictive measures as a result of COVID-19, the global economy has experienced significant disruptions, hampering business activity globally. This reduction in global business activity has dampened oil demand, resulting in lower oil prices, and may adversely affect economies. These countries may experience a slowdown in trade as a result of lower business activity and reduced consumer spending, which may in turn affect our business.

There may be less information available in the Indian securities markets than in more developed securities markets in other countries.

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be, however, less publicly available information about Indian companies than is regularly made available by public companies in more developed countries, which could adversely affect the market for the Notes. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operations, on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

If inflation were to rise in India, we might not be able to increase the prices of our services in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and we may be unable to reduce our costs or pass the increased costs on to our customers by increasing the price that we charge for our services, and our financial condition, cash flows and results of operations may therefore be adversely affected.

Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Offering Circular.

Our audited financial statements for Fiscal Years 2018, 2019 and 2020 included in this Offering Circular have been prepared and presented in accordance with Ind AS, which differs from accounting principles and auditing standards in other countries with which prospective investors may be familiar, such as U.S. GAAP and IFRS. Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Ind AS contained in this Offering Circular. Accordingly, the degree to which the financial information included in this Offering Circular will provide meaningful information is dependent on your familiarity with Ind AS and the Companies Act. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Offering Circular should accordingly be limited. For further details, see "*Description of Certain Differences between Ind AS and IFRS*".

The GOI issued a set of Income Computation and Disclosure Standards effective April 1, 2016, and the impact of the standards on our tax burden is uncertain.

The GOI issued a set of Income Computation and Disclosure Standards ("**ICDS**") that are applicable for the purpose of computing taxable income and payment of income taxes thereon. In the absence of any substantive precedents or interpretative aids on the subject, the risk of tax authorities adopting an interpretation, which is contrary to that adopted by our Company, cannot be ruled out. If the tax authorities adopt a contrary interpretation, our tax expense could materially increase, thereby reducing our profitability.

The level of development and reliability of Indian infrastructure could adversely affect our results of operations, financial condition and cash flows.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption in its ports, transportation networks, electricity grids, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies and add costs to doing business in India. These problems could interrupt our business operations, which could have an adverse effect on our results of operations, financial condition and cash flows.

Our ability to raise foreign capital may be constrained by Indian law.

Companies operating in India are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could limit our financing sources for acquisitions and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, it cannot be assured that any approval required to raise foreign capital will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse impact on our business, financial condition, cash flows and results of operations.

We may be adversely affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.

The Competition Act, 2002 (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India ("**CCI**") to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. In 2011, the GOI notified and brought into force the combination regulation (merger control) provisions under the Competition Act. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, in 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us is unclear. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

Investors in the Notes may not be able to enforce a judgment of a foreign court against us.

Our Company is a limited liability public company incorporated under the laws of India. All of our directors and key managerial personnel named in this Offering Circular are residents of India. Further, most of our assets are located in India. As a result, it may be difficult for investors to effect service of process upon us or to enforce judgments obtained against us. The recognition and enforcement of foreign judgments in India is governed by Sections 13 and 44A of the Civil Code, which provide that a suit must be brought in India within three years from the date of the judgment sought to be enforced. Generally, there are considerable delays in the disposal of suits by Indian courts.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the FEMA to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. For further details, see "*Enforceability of Civil Liabilities*".

Risks Related to the Notes

We may not be able to meet our obligations to pay or redeem the Notes.

In certain circumstances, Noteholders may require us to redeem all or a portion of the Notes and we would be required to pay all amounts then due under the Notes. In particular, upon a Change of Control Triggering Event (as defined in the Terms and Conditions of the Notes), the holders of the Notes may require us to redeem their Notes and following an acceleration of the Notes upon an event of default, we would be required to pay all amounts then due under the Notes, which we may not be able to meet. We may not be able to make required payments in connection with the Notes if the requisite regulatory approval is not received or if we do not have sufficient cash flows for those payments.

The Notes (subject to Condition 4.1 of the Terms and Conditions of the Notes) will be unsecured and, accordingly, claims of our secured creditors will have priority with respect to their security over the claims of the holders of the Notes, to the extent of the value of the assets securing such indebtedness.

We have a significant amount of secured indebtedness and may incur additional secured indebtedness under the Terms and Conditions of the Notes. The Notes (subject to Condition 4.1 of the Terms and Conditions of the Notes) will be unsecured and, accordingly, claims of our secured creditors, including creditors under our Rupee-denominated loans, Rupee-denominated debentures and foreign currency-denominated loans, will have priority with respect to the assets securing their indebtedness over the claims of the holders of the Notes. No security has been provided over our assets to secure the Notes. In the event of our insolvency, bankruptcy, liquidation, reorganization, dissolution or winding-up, holders of such secured indebtedness will have prior claims to the assets that constitute their collateral. For information about the significant amount of our secured indebtedness, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness (Excluding Corporate Guarantees)*" and "*Description of Material Indebtedness*".

The Notes will not be guaranteed by any of our Subsidiaries and, accordingly, the Notes will be structurally subordinated to the liabilities of our Subsidiaries.

Our operations are largely conducted through our Subsidiaries. Accordingly, we are, and after this Offering will continue to be, dependent on our Subsidiaries' operations and cash flows to service our indebtedness, including the Notes. Our Subsidiaries have a significant amount of indebtedness and may incur additional indebtedness under the Terms and Conditions of the Notes. The Notes will not be guaranteed by any of our Subsidiaries. Accordingly, the Notes will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of our Subsidiaries. In the event of an

insolvency, bankruptcy, liquidation, reorganization, dissolution or winding-up of the business of any Subsidiary, creditors of such Subsidiary will generally have the right to be paid in full before any distribution is made to us. For information about the significant amount of the indebtedness of our Subsidiaries, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness (Excluding Corporate Guarantees)*" and "*Description of Material Indebtedness*".

The Notes contain covenants limiting our financial and operating flexibility.

The Terms and Conditions of the Notes contain covenants that will restrict our ability to, among other things:

- create liens;
- enter into transactions with affiliates;
- sell assets; and
- enter into new businesses.

These limitations are subject to certain exceptions and qualifications described in "*Terms and Conditions of the Notes*".

These covenants could limit our ability to pursue our growth plans, restrict our flexibility in planning for, or reacting to, changes in our business and industry and increase our vulnerability to general adverse economic and industry conditions.

Any default under the covenants contained in the Terms and Conditions of the Notes may lead to an event of default under the Notes and may lead to cross acceleration under our other indebtedness. We may not be able to pay any amounts due to holders of the Notes in the event of any such default and any such default may significantly impair our ability to satisfy our obligations under the Notes.

Since the Global Certificates are held by or on behalf of the relevant Clearing Systems, investors will have to rely on the relevant Clearing System's procedures for transfer, payment and communication with us.

The Notes will be represented by the Global Certificates except in certain limited circumstances described under "*Global Certificates*". The Global Certificates will be deposited with, and registered in the name of, a nominee of DTC. Except in certain limited circumstances set out in the Global Certificates and described under "*Global Certificates*", investors will not be entitled to receive definitive certificates. The relevant Clearing System will maintain records of the beneficial interests in the Global Certificates. While the Notes are represented by the Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System. We will discharge our payment obligations under the Notes by making payments to or to the order of the relevant Clearing System for distribution to the account holders. A holder of a beneficial interest in any of the Global Certificates must rely on the procedures of the relevant Clearing System to receive payments under the Notes.

We have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates. Holders of beneficial interests in the Global Certificates will not have a direct right under the Global Certificates to take enforcement action against us in the event of a default under the Notes but will have to rely upon the Trustee to enforce their rights under the Trust Deed.

An active trading market may not develop for the Notes, in which case your ability to transfer the Notes will be limited.

The Notes are new securities for which there is no existing trading market. Prior to this offering, there has been no trading market in the Notes. The liquidity of any market for the Notes will depend on a number of factors, including general economic conditions and our financial condition, performance and prospects, as well as recommendations of securities analysts. We have been informed by the Joint Bookrunners that they may make a market in the Notes after this offering has been completed. However, they are not obligated to do so and may discontinue such market-making activity at any time without notice. In addition, market-making activity by the Joint Bookrunners may be subject to limits imposed by applicable law. As a result, we cannot assure you that any market in the Notes will develop or, if it does develop, it will be maintained. If an active market in the Notes fails to develop or be sustained, you may not be able to sell the Notes or may have to sell them at a lower price.

The ratings and outlook of the Notes and us may be downgraded or withdrawn.

The Notes are expected to be rated "Baa3" by Moody's and "BBB-" by Fitch and Standard & Poor's, respectively. We are rated "Baa3" with a negative outlook by Moody's, "BBB-" with a negative outlook by Fitch and "BBB-" with a stable outlook by Standard & Poor's. The ratings and outlook represent the opinions of the rating agencies and their assessment of the ability of our Company to perform its obligations under the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating or outlook is not a recommendation to buy, sell or hold securities. The ratings or outlook can be lowered or withdrawn at any time. We are not obligated to inform the holders of the Notes if the ratings or outlook are lowered or withdrawn. A reduction or withdrawal of the ratings may adversely affect the market price and liquidity of the Notes and our ability to access the debt capital markets.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. In recent years, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or actions and/or institute proceedings on behalf of such holders. The Trustee shall not be obliged to take any such steps and/or actions and/or institute any such proceedings if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may adversely impact when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute proceedings, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and in any such event, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such steps and/or actions and/or institute proceedings directly.

The Notes are subject to restrictions on resales and transfers, which may adversely affect their liquidity and the price at which they may be sold.

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. As a result, investors may not resell or transfer the Notes unless such sale or transfer is exempt from the registration requirements of the Securities Act and applicable state securities laws or in transactions that have been registered under the Securities Act.

Modifications of, or any waivers under, the Trust Deed and the Notes could be adverse to the interests of Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Notes, including holders of the Notes who did not attend and vote at the relevant meeting and holders of the Notes who voted in a manner contrary to the majority. The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of holders of the Notes, agree to (i) any modification of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorization of any breach or proposed breach, of any of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the holders of the Notes.

The Trust Deed will also contain provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the holders of the Notes, to the substitution of any other company in place of us, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes; provided, however, that immediately after such substitution, we must deliver to the Trustee an opinion of counsel of recognized standing with respect to U.S. federal income tax matters that the beneficial owners of the Notes will not recognize gain or loss for U.S. federal income tax purposes as a result of such substitution and will be subject to the same U.S. federal income tax consequences as if such substitution did not occur.

Approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, is required for repayment of the Notes prior to maturity.

Under the ECB Guidelines, any repayment of an external commercial borrowing, such as the Notes, prior to its stated maturity may require the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be. Therefore, any repayment of the Notes prior to maturity as a result of early redemption pursuant to the Terms and Conditions of the Notes (Condition 6.2 (*Redemption for Taxation Reasons*) or Condition 6.3 (*Change of Control Put Option*) or Condition 6.4 (*Redemption at the Option of the Issuer*)) would require the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be. There can be no assurance that such approval would be obtained in a timely manner or at all. In the absence of such an approval, we may not be able to redeem all or any of the Notes prior to maturity.

Additionally, we propose to utilise the proceeds of the Notes to fund the proposed Tender Offer and potential redemption of the Senior Notes due 2022 or towards the repayment of our other external indebtedness incurred under the ECB Guidelines (collectively, "**Existing ECB Indebtedness**"). However, in the event the proposed Tender Offer is cancelled, terminated or if we otherwise do not complete the proposed Tender Offer or are unable to repay our other external indebtedness incurred under the ECB Guidelines, we propose to utilise the proceeds of the Notes to repay our existing indebtedness other than the Existing ECB Indebtedness. Any repayment of such indebtedness may require prior approval of the RBI. We cannot assure you that such approval will be received in a timely manner, or at all. Failure to receive such approval from the RBI will restrict us from utilizing the proceeds of the Notes to repay our other existing indebtedness other than the Exiting ECB Indebtedness, which could have an adverse effect on our cash flows, business, financial condition and results of operations.

Remittances of funds outside India pursuant to indemnification by us in relation to the Notes requires prior RBI approval.

Remittance of funds outside India by us pursuant to indemnity clauses under the Terms and Conditions of the Notes, the Trust Deed or any other agreements in relation to the Notes requires prior RBI approval. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and we can give no assurance that we will be able to obtain such approvals.

The right of holders of the Notes to receive payments on the Notes is junior to certain tax and other liabilities preferred by law.

The Notes will be subordinated to certain liabilities preferred by law such as claims of the GOI on account of taxes, and certain liabilities incurred in the ordinary course of our trading or banking transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Notes only after all of those liabilities that rank senior to the Notes have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these liabilities, to pay amounts due on the Notes.

The Notes are not a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Noteholders may be adversely affected by a change of English law.

The structure of the issue of the Notes is based on English law and administrative practices in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change to English law or administrative practices after the date of this Offering Circular, nor can any assurance be given as to whether any such change could adversely affect our ability to make payments under the Notes.

Investment in the Notes may subject investors to foreign exchange risks.

The Notes are denominated and payable in U.S. dollars. If an investor measures its investment returns by reference to a currency other than U.S. dollars, an investment in the Notes entails foreign exchange-related risks, including possible significant changes in the value of the U.S. dollar relative to the currency by

reference to which an investor measures its investment returns, because of, among other things, economic, political and other factors over which we have no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into such currency. In addition, there may be adverse tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Notes.

The insolvency laws of India and other local insolvency laws may differ significantly from those of other jurisdictions with which the holders of the Notes are familiar.

As our Company is incorporated under the laws of India, any insolvency proceeding relating to us would likely involve the insolvency laws of India, the procedural and substantive provisions of which may differ significantly from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar. Potential investors should analyze the risks and uncertainties carefully before making an investment in the Notes.

We will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST and India INX, which standards may be different from those applicable to companies in certain other countries.

We will be subject to reporting obligations in respect of the Notes to be listed on the SGX-ST and India INX. The disclosure and corporate governance standards imposed by the SGX-ST and India INX may be different from those imposed by securities exchanges in other countries or regions such as the United States or the United Kingdom. As a result, the level of information that is available may not correspond to the level to which investors in the Notes are accustomed.

Holders of the Notes may suffer erosion in the return on their investments due to inflation.

Holders of the Notes may suffer erosion in the return on their investments due to inflation. Holders of the Notes may have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected rise in inflation could reduce the actual returns to such holders.

Integral multiples of less than the specified denomination may result in illiquidity in the Notes.

The denomination of the Notes is U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of U.S.$200,000 that are not integral multiples of U.S.$200,000. In such a case, a holder who, as a result of trading such amounts, holds a principal amount of less than U.S.$200,000 will not receive a definitive certificate in respect of such holding of the Notes (should definitive certificates be printed) and would need to purchase a principal amount of the Notes such that it holds an amount equal to one or more denominations. If definitive certificates are issued, holders should be aware that Notes with aggregate principal amounts that are not an integral multiple of U.S.$200,000 may be illiquid and difficult to trade.

Gains arising to a non-resident investor from disposition of the Notes held as a capital asset may be subject to taxation in India.

Any gains arising to a non-resident investor from disposition of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to tax in India from a disposition of the Notes held as a capital asset provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There can be no assurance that the Indian tax authorities will not treat the Notes as being situated in India, particularly since our Company is

incorporated in, and is tax resident in, India. Any gains arising to holders of the Notes from their disposition might be subject to significant taxes in India if the Notes are determined by the Indian tax authorities to be situated in India.

The use of proceeds of the Notes may impact the repayment of the Notes prior to maturity.

The ECB Guidelines require that if the proceeds from the issuance of Notes are utilized towards working capital purposes or general corporate purposes or repayment of rupee loans availed domestically, the minimum average maturity of such Notes must range from seven to 10 years. If the proceeds of the Notes are used for the above mentioned purposes, the Noteholders may not be able to exercise any early redemption options available to them under the Terms and Conditions of the Notes without the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be. There can be no assurance that such approval would be obtained in a timely manner or at all. In the absence of such an approval, we may not be able to redeem all or any of the Notes prior to maturity.

Additionally, we propose to utilise the proceeds of the Notes to fund the proposed Tender Offer and potential Redemption of the Senior Notes due 2022 or towards the repayment of our other external indebtedness incurred under the ECB Guidelines (collectively, "**Existing ECB Indebtedness**"). However, in the event the proposed Tender Offer is cancelled, terminated or otherwise we do not complete the proposed Tender Offer or are unable to repay our other external indebtedness incurred under the ECB Guidelines, we propose to utilise the proceeds of the Notes to repay our other existing indebtedness other than the Existing ECB Indebtedness. Any repayment of such other existing indebtedness other than Existing ECB Indebtedness may require prior approval from the RBI. We cannot assure you that such consent will be received in a timely manner or received at all. Failure to receive such approval from the RBI will restrict us to utilise the proceeds of the Notes to repay our other existing indebtedness other than the Existing ECB Indebtedness, which could have an adverse effect on our cash flows, business and results of operations and could result in other consequences including un-winding of the current offering of the Notes.

USE OF PROCEEDS

The gross proceeds from the issue of the Notes will be U.S.$500,000,000. Subject to compliance with applicable laws and regulations and as permitted by the RBI under the ECB Guidelines, the Issuer intends to use the proceeds from this Offering, together with cash on hand, to fund the proposed Tender Offer and potential Redemption of the Senior Notes due 2022. If the Tender Offer and the Redemption are not completed for any reason, the Issuer intends to use a substantial portion of the proceeds from this Offering to repay its existing indebtedness, after obtaining approval from the RBI, if required. See "*Summary — Recent Developments — Tender Offer and Redemption of Senior Notes due 2022*."

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our Company's consolidated capitalization and indebtedness on (1) an actual basis as at September 30, 2020; and (2) on an as adjusted basis after giving effect to this offering together with cash on hand, to fund the Tender Offer and the Redemption such that the Senior Notes due 2022 are fully repurchased and cancelled.

This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Use of Proceeds*", "*Summary — Recent Developments — Tender Offer and Redemption of the Senior Notes due 2022.*", our audited consolidated financial statements and our unaudited reviewed condensed consolidated interim financial statements contained elsewhere in this Offering Circular.

	As at September 30, 2020	As Adjusted for the issue of the Notes, the Tender Offer and the Redemption
	(₹ in millions)	
(A) Shareholders' funds		
Equity share capital	4,063.5	4,063.5
Other equity	273,732.6	273,732.6
Equity attributable to equity holders of the parent	277,796.1	277,796.1
Non-controlling interests	2,260.9	2,260.9
Total Equity (A)	**280,057.0**	**280,057.0**
(B) Total Debt		
Non-current borrowings excluding senior notes due 2022/2024/ 2027/2029 (including current maturities)	130,600.4	130,660.4
Senior Notes due Jan 2022[(1)]	36,805.8	—
Senior Notes due Jul 2024[(1)]	47,641.5	47,641.5
Senior Notes due Jul 2027[(1)]	36,481.3	36,481.3
Senior Notes due Jul 2029[(1)]	54,920.5	54,920.5
Senior Notes due Aug 2027[(1)]	54,804.9	54,804.9
Notes offered hereby[(1)]	—	36,805.8
Customers' bills discounted	4,998.8	4,998.8
Other short term borrowings	3,920.3	3,920.3
Total debt (B)	**370,173.5**	**370,173.5**
Total capitalization (A+B)	**650,230.5**	**650,230.5**

(1) Converted into Rupees at the rate of U.S.$1.00 = ₹73.77, the approximate exchange rate on September 30, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations for Fiscal Years 2018, 2019 and 2020. Our audited financial statements for Fiscal Years 2018, 2019 and 2020 included in this Offering Circular have been prepared and presented in accordance with Ind AS.

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements, the schedules and notes thereto and the other information included elsewhere in this Offering Circular.

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under the sections "Forward-looking Statements" and "Risk Factors".

Overview

We are India's largest private developer and operator of ports and related infrastructure, according to the India Infrastructure Report of 2020. We provide fully integrated marine, stevedoring, handling, storage, warehousing, transportation and other value-added logistics services. We have invested in port-based SEZs and logistics/inland container depots ("**ICDs**") in India. We have expanded our business from operating a single port at Mundra on the west coast of India to being a pan-Indian integrated logistics service provider operating 10 ports, 25 terminals and five logistics parks/ICDs. We are further expanding our capacities at a few of our existing ports and are also in the process of developing container terminals in the south of India. We also intend to continue exploring business opportunities, to cater to our growing business demand in India and outside India.

With a total installed capacity of 478.6 mmtpa as of the date of this offering circular, capable of handling a diverse cargo base including dry and liquid bulk, containers, crude and automobiles, LPG and LNG, we handled 207.7 mmtpa, 223.0 mmtpa, 109.5 mmtpa and 97.7 mmtpa of cargo in Fiscal Years 2019 and 2020 and in the six months ended September 30, 2019 and 2020, respectively. For the nine months ended December 31, 2020, we handled cargo of 174.1 mmtpa. (higher by 5.4% YoY).

Our total income for Fiscal Years 2018, 2019 and 2020, and for the six months ended September 30, 2019 and 2020 was ₹123,338.9 million, ₹122,877.8 million, ₹137,344.2 million, ₹65,438.2 million and ₹61,726.2 million, respectively. Our profit for the year attributable to equity holders of the parent for Fiscal Years 2018, 2019 and 2020, and for the six months ended September 30, 2019 and 2020 was ₹36,736.2 million, ₹39,902.2 million, ₹37,631.3 million, ₹20,765.7 million and ₹21,450.2 million, respectively.

Significant Factors Affecting Our Results of Operations

Cargo Volumes

Our results of operations depend, to a significant extent, on the cargo volumes handled at our facilities. The cargo volume that we handle depends in turn on the strength of the Indian economy, the levels of global and regional trade, the continued globalization of world trade (which has historically led to an increase in the volume of seaborne cargo), competition from new and existing ports in India (particularly in west India), industry trends such as consolidation and changes in shipping alliances, and new long-term and short-term agreements into which we enter. In order to avoid becoming completely dependent on the demand from India's international trade, we also service transshipment cargo for our container business and may introduce this service across all our ports which have container handling facilities. In addition, we have mitigated business risk by entering into certain long-term port service agreements with various customers across all key ports. In order to mitigate construction, business and financial risks, we have entered into strategic partnerships with various stakeholders for development and/or operations of cargo terminals. We intend to enter into more of such partnerships in the future.

Our total cargo volume split between long-term customers/partnerships and short-term customers is set out below for the periods indicated:

	Fiscal Year			Six months ended September 30,	
	2018	2019	2020	2019	2020
			(in mmt)		
Long Term Customers	108.6	121.9	128.1	66.4	58.9
Short Term Customers	71.4	85.8	94.9	43.0	38.8
Total	**180.0**	**207.7**	**223.0**	**109.5**	**97.7**

The cargo volume that we handle has increased in recent years as a result of a number of factors, including (i) the development of new terminals, berths and other infrastructure at Mundra Port and Hazira Port; (ii) the commencement of operations at Ennore in Fiscal Year 2018; (iii) the commencement of operations of the extension of container-terminal three and container-terminal four at the Mundra Port in Fiscal Year 2018; and (iv) the acquisition of Marine Infrastructure Developer Private Limited (Kattupalli Port) from Larsen and Turbo Limited and Adani Logistics' acquisition of Agri Logistic from AEL.

In Fiscal Year 2020, our container handling capacity was 10.6 million TEUs and volume was 6.2 million TEUs; our bulk handling capacity was 197.5 mmt and volume was 106.6 mmt; and crude handling capacity was 40.0 mmt and volume was 25.2 mmt. We expect our cargo volume handled to continue to increase as we expand our overall capacity and infrastructure at our existing ports.

Our total cargo volume handled by facility is set out below for the periods indicated:

	Fiscal Year			Six months ended September 30,	
Facility	2018	2019	2020	2019	2020
			(in mmt)		
Mundra Port	121.8	137.3	139.2	70.1	61.9
Dahej Port	7.0	9.1	6.4	3.1	2.4
Dhamra Port	21.5	20.7	29.7	13.2	14.7
Hazira Port	16.9	19.6	21.6	10.6	9.5
Vizag Port Terminal	—	1.4	2.8	1.3	0.3
Murmugao Port Terminal	1.1	4.2	4.0	1.9	1.5
Kandla Port Terminal	4.2	5.7	6.5	3.0	2.8
Kattupalli	7.5	8.9	10.9	5.1	3.7
Ennore	0.0	0.8	1.9	1.0	0.9
Total	**180.0**	**207.7**	**223.0**	**109.5**	**97.7**

Our Expansion Plans

We have completed certain expansion plans and are in the process of implementing new expansion plans, which may affect our results of operations. We are developing an LNG terminal at Dhamra Port. We are also developing a new container terminal at Vizhinjam Port and a port terminal in Myanmar. In addition, we are in the process of acquiring additional facilities to expand our logistics business and recently acquired the Krishnapatnam Port to expand our port operations along the southern and eastern coastline of India. Our future expansion plans may require a significant amount of expenditure, and, once operational, we expect to have additional capacity in new and existing geographies, and higher revenue from cargo handled and related logistics services. See "*Risk Factors — Risks Related to Our Business — Our investments in developing additional services, facilities and sources of income for our port business may not be successful"* for risks associated with our current expansion plans.

However, amid the ongoing impact of the COVID-19 pandemic on global trade, we have revised our capital expenditure plans to reduce our capital expenditure for the rest of Fiscal Year 2021. We intend to continue with the aforementioned expansion plans. The revised capital expenditure plan also has a number of discretionary projects and hence there is an inherent ability to further defer some capital expenditure if the impact of the pandemic is longer than currently envisaged. See "*Our Business — Recent Developments — Impact of COVID-19*" for more details on the impact of COVID-19 on our operations.

Pricing and Revenue Models

Generally, the prices we charge for our services depend on a number of factors, including (i) the volume of cargo handled, (ii) the type of cargo handled, (iii) the types of customized services provided to customers, (iv) the specific incentives for individual customers including the size and nature of our existing arrangements with the customers, and (v) competitive pricing by other ports. We have been able to increase our pricing for certain services, particularly those that capture the extent of our vertically integrated business, and for value-added services. The pricing for cargo handling at our ports is commercially driven except for Murmugao Port terminal, Vizag Port terminal and Kandla Port terminal where pricing is governed by the methodology established by the Tariff Authority for Major Ports. However, the port trust and concessionaire can rework the pricing mechanism at their discretion.

For certain customers with respect to coal, crude oil, automobile and other dry and liquid bulk cargo, we typically enter into long-term agreements which provide for some or all of the following: (i) fixed charges per year, (ii) variable charges and freight charges based on the volume or value of cargo handled or transported, each with a periodic adjustment linked to an index and various value-added charges, and/or (iii) royalties based on a percentage of the gross revenue generated by the relevant customers for container cargo. For other customers, we enter into spot contracts or short and medium-term agreements which allow us to renegotiate the terms and pricing of these agreements to reflect prevailing market conditions. We have entered into take-or-pay agreements with some of our customers for the provision of our port operation services. These agreements are long-term in nature and generally terminate upon the maturity of the relevant concession period. We receive a stable fixed income each year from such agreements, irrespective of the cargo volume handled. Apart from such fixed income, we also receive revenue in the form of variable charges per tonne on the basis of the actual cargo volume by customers.

Our revenue is predominantly generated from the following activities: (i) port operation services such as marine activities for vessels, cargo handling and storage activities, (ii) waterfront royalty with respect to cargo handled, (iii) lease and sub-lease of land on a long-term basis, (iv) usage of our infrastructure, (iv) container terminals provided to sub-concessionaires and (v) various utility services provided to SEZ units.

In respect of lease and sub-lease of land, we receive upfront income in addition to the annual lease rental. Further, we receive income by providing various value-added services, in addition to cargo handling and storage activities, such as bagging and evacuation of cargo. We also receive interest income from our customers and from intercorporate deposits and bank deposits.

Cargo and Service Mix

Our results of operations depend substantially on the variety of cargo handled and services that we provide to our customers. Our four broad categories of cargo handled are (i) coal, (ii) crude, (iii) container, and (iv) other bulk (excluding coal). The cargo volumes across the above four categories for the periods indicated are provided in the table below:

	For Fiscal Year			Six months ended September 30,	
Cargo type	**2018**	**2019**	**2020**	**2019**	**2020**
Coal (mmt)	58.5	68.3	71.9	35.1	27.1
Crude (mmt)	20.1	26.7	25.2	11.1	11.6
Container (million TEUs/mmt)	5.1/74.6	5.8/84.2	6.2/91.2	3.1/45.4	2.8/42.2
Other bulk (mmt)	26.8	28.5	34.8	17.8	16.8

The port and related services we provide include (i) marine services, (ii) stevedoring, (iii) cargo handling, (iv) internal transportation, (v) storage, (vi) value-added services (e.g., reefer services, heating of cargo and bagging), (vii) last mile evacuation, and (viii) other logistics services. The pricing of the services that we provide depends on, among other things, the type of cargo handled and the type of service offered. As a result, the type of cargo that we handle may substantially affect our results of operations. Our ability to maintain a diverse mix of cargo handled and other services performed allows us to diversify our income sources, reduce financial risk and compete more effectively.

Capacity and Utilization

Our results of operations are affected by the capacities and utilizations of our terminals, berths, equipment and other infrastructure. Between Fiscal Years 2018 and 2020, our volume of cargo handled increased at a CAGR of 11.3%. Our capacities have increased significantly in recent years as a result of our commissioning of new terminals, expansion of the capacity at our existing operational facilities and acquisitions. We have also, and continue to, benefit from the deep drafts at our facilities, which allow us to accommodate larger ships that can handle larger volumes of cargo. Our facilities at Mundra Port, Hazira Port, Dahej Port and Dhamra Port can accommodate large capesize ships and container ships of more than 14,000 TEUs. The coal and bulk terminal at Mundra has a draft of up to 18 meters and is capable of handling super capesize ships.

Tax Incentives

We claimed benefits of tax incentives under section 80 IAB of the Income-tax Act until Fiscal Year 2017. We believe that we were entitled to the tax benefits under section 80 IAB of the Income-tax Act on the entire income of our Company. The Central Board of Direct Taxes could have a contrary view in terms of the availability of tax benefits to our Company in respect of certain forms of income. Any ruling by the tax authorities to the contrary could have an adverse effect on our business, cash flows and results of operations.

While the aforesaid tax advantage for our Company expired in Fiscal Year 2017, some of our Subsidiaries will continue to receive certain tax advantages. Additionally, our Company has continuously paid MAT and, hence, is eligible for MAT credit for the coming years, which would be available for set off up to 15 years. We intend on utilizing the entire MAT credit within a prescribed time period so that no MAT credit lapses. Therefore, there may not be a material increase in the tax liability until such time as our Company is able set off its tax liability against available MAT credit. However, when such MAT credit expires or when the entire MAT credit is utilized, our Company's tax expense could materially increase, thereby reducing our profitability. Further, there can be no assurance that our Company or our Subsidiaries will be entitled to similar or other tax incentives in the future. When such tax incentives expire for all of our Subsidiaries, our Company's tax expense on a consolidated basis could materially increase, thereby reducing our profitability. Further, the indirect tax benefits related to supplies to the SEZ are available under even the present structure of indirect taxation as well.

Tax Incentives for Port Companies (enterprises engaged in infrastructure development)

Certain tax incentives have been claimed by our subsidiaries under sections 80 IAB/80IA of the Income-tax Act for developing, operating and maintaining ports. These tax incentives are available to us for a period of 10 consecutive years in a block of 15 years from commencement of operations. Additionally, certain subsidiaries are also claiming deductions under section 35AD of the Income-tax Act, in relation to the capital expenditure incurred by them. These subsidiaries have been paying MAT under the provisions of the Income-tax Act and are eligible for MAT credit. Accordingly, even after the expiry of the aforementioned incentives, there may not be a material increase in the tax liability. A few of our subsidiaries are also paying tax under the tonnage tax scheme available in terms of Chapter XII-G, Income-tax Act.

Critical Accounting Policies

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that they believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following are the most relevant critical accounting policies, related judgments and estimates used in the preparation of our financial statements.

Basis of preparation/Consolidation

Our financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

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

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

In addition, our financial statements are presented in Rupees and all values are rounded to the nearest ₹10 million, except when otherwise indicated.

Investment in associates and joint ventures

An associate is an entity over which we have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

A joint venture entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether we have significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Our investments in our associate and joint venture entities are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture entity is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in our share of net assets of the joint venture since the acquisition date.

The consolidated statement of profit and loss reflects our share of the results of operations of the joint venture entities. Any change in other comprehensive income ("**OCI**") of those investees is presented as part of our OCI. In addition, when there has been a change recognized directly in the equity of the joint venture entities, we recognize our share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between us and the joint venture entities are eliminated to the extent of the interest in the joint venture entities.

If an entity's share of losses of a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of our net investment in the associate or joint venture), the entity discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that we have incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of our share of profit or loss of joint venture entities is shown on the face of the consolidated statement of profit and loss.

The financial statements of the joint venture entities are prepared for the same reporting period as us. When necessary, adjustments are made to bring the accounting policies in line with those of our accounting policies.

After application of the equity method, we determine whether it is necessary to recognize an impairment loss on our investment in our joint venture entities. At each reporting date, we determine whether there is objective evidence that the investment in the joint venture entities are impaired. If there is such evidence, we calculate the amount of impairment as the difference between the recoverable amount of the joint venture entity and its carrying value, and then recognize the loss as 'Share of profit of the joint venture entity in the consolidated statement of profit and loss.

Upon loss of significant influence over associate entity/joint control over the joint venture entities, we measure and recognize any retained investment at its fair value. Any difference between the carrying amount of the associates entity/joint venture entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the statement of profit and loss.

Foreign currency transactions

Our consolidated financial statements are presented in Indian Rupee, which is also our parent company's functional currency. For each entity we determine the functional currency and items included in the financial statements of each entity are measured using that functional currency. However, for practical reasons, our entities use an average rate if the average approximates the actual rate at the date of transaction. We use the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by our entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exceptions for which below treatment is given as per the option availed under Ind AS 101:

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

- Exchange differences arising on other outstanding long term foreign currency monetary items recognized in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are accumulated in the Foreign Currency Monetary Item Translation Difference Account ("**FCMITDA**") and amortized over the remaining life of the concerned monetary item or financial year 2019 to 2020, whichever is earlier. The said balance has been completely amortized in the current financial year.

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

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, we use an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in statement of profit and loss.

Fair value measurement

We measure 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 us.

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 best economic interest.

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, we determine 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.

Our management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value and for non-recurring fair value measurement, such as assets under the scheme of business undertaking.

External valuers are involved for valuation of significant assets such as business undertaking for transfer under the scheme and unquoted financial assets and financial liabilities. Involvement of external valuers is decided upon annually by the management and in specific cases after discussion with and approval by the respective company's Audit Committee. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. Our management decides, after discussions with our external valuers, which valuation techniques and inputs to use for each case.

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

Our management, in conjunction with our external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, we have 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.

Revenue recognition

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

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

Port Operation and Logistics Services

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

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

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

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

Income towards infrastructure premium is recognized as revenue in the year in which we provide access to our common infrastructure.

Income from long-term leases

As a part of our business activity, we lease/sub-lease land on long term basis to our customers. Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. In some cases, we enter into cancellable lease/sub-lease transaction agreements, while in other cases, we enter into non-cancellable lease/sub-lease agreements. We recognize the income based on the principles of leases as set out in the relevant accounting standard and accordingly in cases where the land lease/sub-lease agreement is cancellable in nature, the income in the nature of upfront premium received/receivable is recognized on an operating lease basis, i.e., on a straight line basis over the period during which the lease/sub-lease agreement/date of memorandum of understanding takes effect over lease period and annual lease rentals are recognized on an accrual basis.

In cases where long term land lease/sub-lease transaction agreements are non-cancellable in nature, the income is recognized on a finance lease basis, i.e., at the point where the lease/sub-lease agreement/date of memorandum of understanding takes effect, the income recognized is equal to the present value of the minimum lease payment over the lease period (including non-refundable upfront premium) which is substantially equal to the fair value of land leased/sub-leased. In respect of land given on a finance lease basis, the corresponding cost of the land and development costs incurred are expensed off in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Development of Infrastructure Assets

Our business operations include the construction and development of infrastructure assets, where the outcome of the project cannot be estimated reasonably, revenue from contracts for such construction and development activities is recognized on completion of the relevant activities under the contract and the transfer of control of the infrastructure when all significant risks and rewards of ownership in the infrastructure assets are transferred to the customer.

Non-Scheduled Aircraft Services

Revenue from chartered services is recognized when the service is performed under the contractual obligations.

Utilities Services

Revenue is recognized as and when the service performed under contractual obligations and the right to receive such income is established. Delayed payment charges are accounted as and when received.

Income from SEIS/SFIS

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

Revenue recognition from service concession arrangements in Agri Logistics Business

Once the infrastructure is in operation, the treatment of income is as follows:

Finance income over financial asset after consideration of fixed storage charges is recognized using effective interest rate method. Variable storage charges revenue is recognized in the period of storage of food grains. Revenue from other variable charges such as loading and unloading charges, bagging charges, stacking charges, etc. as per the rates mentioned in the service concession agreement ("**SCA**") are recognized in each period as and when services are rendered in accordance with "Ind AS 115 — Revenue from Contracts with Customers".

Interest income

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

Dividends

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

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized either as income in equal amounts over the expected useful life of the related asset or as a deduction from the carrying amount of the asset.

Royalty on Cargo

Waterfront royalty on cargo under the relevant concession/sub concession agreement is paid at a concessional rate in terms of the rate prescribed by Gujarat Maritime Board ("**GMB**") and notified in official gazette of various state Government authorities, wherever applicable.

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

Deferred tax

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

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

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

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

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

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

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

We are eligible and claiming tax deductions available under section 80IAB of the Income Tax Act, 1961 for a period of 10 years with effect from Fiscal Year 2008. Some of the subsidiaries and joint venture entities are also eligible for tax deductions available under section 80IA of the Income Tax Act, 1961 for a period of 10 years out of an eligible period of 15 years. In view of our Company and some of the subsidiaries and joint venture entities availing any tax deduction under Section 80IA/80IAB of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which reverses after the tax holiday period in the year in which the temporary difference originate, and no deferred tax (assets or liabilities) is recognized in respect of a temporary difference which reverses during the tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary differences which originate first are considered to reverse first.

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

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

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

We recognize tax credits in the nature of Minimum Alternative Tax ("**MAT**") credit as an asset only to the extent that there is sufficient taxable temporary difference/convincing evidence that we will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which we recognize tax credits as an asset, the said asset is created by way of tax credit to the consolidated statement of profit and loss. We review such tax credit asset at each reporting date and write down the asset to the extent we do not have sufficient taxable temporary difference/ convincing evidence that we will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

Property, plant and equipment

Property, plant and equipment and capital work-in-progress are stated at cost. Such cost includes the cost of replacing parts 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, we depreciate them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

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

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

We have estimated the following useful lives to provide depreciation on certain property, plant and equipment based on an assessment made by management estimates.

Assets	**Estimated Useful Life**
Leasehold land development	Over the balance period of concession agreement and approved supplementary concession agreement by Gujarat Maritime board, major port trust authorities, other State Government authorities etc. as applicable.
Marine structure, dredged channel and buildings, RCC Frame Structure	50 years as per concession agreement/over the balance period of concession agreement as applicable.
Dredging pipes — plant and equipment . . .	1.5 years
Nylon and steel coated belt on conveyor — plant and equipment	4 years and 10 years, respectively
Inner floating and outer floating hose, string of single-point mooring — plant and machinery	6 years
Fender, buoy installed at jetty — marine structures	5 – 10 years
Bridges, drains and culverts	25 years as per concession agreement
Carpeted roads — Other than RCC	10 years
Non Carpeted Roads — Other than RCC . .	3 years
Tugs	20 years

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

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

The residual value, useful lives and method of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if necessary.

Intangible assets

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

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

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 recognized in the statement of profit or loss when the asset is derecognized.

A summary of the policies applied to our intangible assets is as follows:

Intangible Assets	Method of Amortization	Estimated Useful life
Software applications	On straight line basis	5 years based on management estimate
License Fees paid to Ministry of Railway (MOR) for approval for movement of Container Trains	On straight line basis	Over the license period of 20 years
Right to use of land	On straight line basis	Over the period of agreement between 10-20 years
Right of use to develop and operate the port facilities	On straight line basis	Over the balance period of Sub-Concession Agreement
Railway Licenses	On straight line basis	35 years based on the validity of the license

Port concession rights arising from Service Concession/Sub-Concession Arrangements

We recognize port concession rights as "Port Infrastructure Rights" under "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 us as part of the service concession arrangement. Such an intangible asset is recognized by us at cost (which is the fair value of the consideration received or receivable for the construction service delivered) and is capitalized when the project is complete in all respects and we receive 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 amortized 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 recognized in the consolidated statement of profit or loss when the asset is de-recognized.

The estimated period of port concession arrangements is 30 years.

Service Concession Arrangements in respect of Agri Logistics Business

Certain companies have entered into a service concession agreement with Food Corporation of India ("**FCI**") which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise.

With respect to the SCA, revenue and costs are allocated between those relating to construction services and those relating to operation and maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the SCA.

When the amount of consideration under the arrangement for the provision of public services is substantially fixed by a contract, we recognize consideration for construction services at its fair value as a financial asset and is classified as "financial asset under service concession arrangements".

When the amount of consideration under the arrangement comprises of (a) fixed charges based on Annual Guaranteed Tonnage and (b) variable charges based on Actual Utilization Tonnage, we recognize revenue based on the consideration for construction services at its fair value, as the "financial asset under service concession arrangement" to the extent the present value of fixed payment to be received is discounted at an incremental borrowing rate and the residual portion is recognized as an intangible asset.

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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Leases

We assess at the inception of a contract whether such contract is, or contains, a lease, i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

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

Right-of-use

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

If ownership of the leased asset transfers to us 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.

Lease Liabilities

At the commencement date of the lease, we recognize 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 us and payments of penalties for terminating the lease, if the lease term reflects us exercise of the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized 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, we use 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 have been presented under the head "Other Financial Liabilities".

Short-term leases and leases of low-value assets

We apply the short-term lease recognition exemption to our 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). We also apply the lease of low-value assets recognition exemption in respect of lease assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

As a lessor

Leases in which we do not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from an operating lease is recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized 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 us to the lessee. Amounts due from lessees under finance leases are recorded as receivables at our 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.

Retirement and other employee benefits

Retirement benefit in the form of a provident fund is a defined contribution scheme. None of us, our subsidiaries and joint ventures has any retirement obligations, other than the contribution payable to the provident fund. Each of us, our Subsidiaries and joint ventures 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 the service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

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

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

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as a short-term employee benefit. We measure the expected cost of such absence as the additional amount that is expected to be paid as a result of the unused estimate that has accumulated at the reporting date. We treat accumulated leave expected to be carried forward beyond twelve months as long-term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories: (i) debt instruments at amortized costs, (ii) debt instruments and derivative instruments at fair value through profit or loss ("**FVTPL**"), and (iii) equity instruments measured at fair value through other comprehensive income ("**FVTOCI**").

Debt instruments at amortized cost

A 'debt instrument' is measured at amortized cost if both the following conditions are met: (i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and (ii) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category is most relevant to us. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized 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 amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the profit or loss except where we have given a temporary waiver of interest not exceeding a 12-month period. This category generally applies to trade/loan and other receivables.

Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, we may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. We make such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If we decide to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, we may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Perpetual debt

We invest in subordinated perpetual debt, redeemable at the issuer's option, with a fixed coupon that can be deferred indefinitely if the issuer does not pay a dividend on its equity shares. We classify these instruments as equity under Ind AS 32.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from our consolidated balance sheet) when:

(i) the rights to receive cash flows from the asset have expired, or (ii) we have transferred the rights to receive cash flows from the asset or have 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) we have transferred substantially all the risks and rewards of the asset, or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When we transfer our rights to receive cash flows from an asset or have entered into a pass-through arrangement, we evaluate if and to what extent we have retained the risks and rewards of ownership. When we neither transfer nor retain substantially all of the risks and rewards of the asset, nor have transferred control of the asset, we continue to recognize the transferred asset to the extent of our continuing involvement. In that case, we also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have 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 we could be required to repay.

Impairment of financial assets

We apply the expected credit loss ("**ECL**") model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balances;

- financial assets that are debt instruments and are measured as of other comprehensive income ("**FVTOCI**");

- lease receivables under the relevant accounting standard; and

- 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.

We follow a 'simplified approach' for recognition of impairment loss allowance on: (i) trade receivables or contract revenue receivables; and (ii) all lease receivables resulting from transactions within the scope of the relevant accounting standard.

Under the simplified approach, we do not track changes in credit risk. Rather, we recognize impairment loss allowance based on lifetime ECLs at each reporting date, right from the initial recognition. For recognition of impairment loss on other financial assets and risk exposure, we determine whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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

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

- **Financial assets** is measured at amortized cost, contractual revenue receivables and lease receivables.

- **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 group does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, we combine 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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Our financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

    - **Financial liabilities at fair value through profit or loss**: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition 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 us 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 recognized in the profit or loss**: Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in other comprehensive income. These gains/losses are not subsequently transferred to the profit and loss statement. However, we may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. We have not designated any financial liability as of FVTPL.

- **Loans and borrowings**: This is the category most relevant to us. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the consolidated statement of profit and loss. This category generally applies to borrowings.

- **Financial guarantee contracts**: Financial guarantee contracts issued by us are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value through profit or loss ("**FVTPL**"), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

- **Derecognition**: We determine 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. Our senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If we reclassify financial assets, we apply the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. We do not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

- **Reclassification of financial assets**: We determine 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. Our senior management determines change in the business model as a result of external or internal changes which are significant to our operations. Such changes are evident to external parties. A change in the business model occurs when we either begin or cease to perform an activity that is significant to our operations. If we reclassify financial assets, we apply the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. We do not restate any previously recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

We use derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge our foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at 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 instruments are recognized 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 hedging are recorded as finance cost.

Redeemable preference shares

Redeemable preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on redemption. Transaction costs are apportioned between the liability and equity components of the redeemable preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

New and amended standards adopted by us

We have applied the following standards and amendments for the first time for annual reporting period commencing from April 1, 2019:

Ind AS 116 — Leases

Ind AS 116 supersedes Ind AS 17-Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

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

Nature of the effect of adoption of Ind AS 116

We have lease contracts for land, building, vehicles, plant & equipment and railway wagons. Before the adoption of Ind AS 116, we classified each of our leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company, otherwise it was classified as an operating lease. Finance leases were capitalized at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability.

For an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under prepayments and trade and other payables, respectively.

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

Leases previously classified as finance leases

We did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognized under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019 and accordingly the carrying amount of lease assets has been reclassified as RoU assets.

Leases previously accounted for as operating leases

We recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The right-of-use assets were recognized at an amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized.

Ind AS 12, Income Taxes — Appendix C, Uncertainty over income tax treatments

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition — (a) full retrospective approach — under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 — Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and (b) retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The standard became effective from April 1, 2019. We have adopted the standard on April 1, 2019 and have decided to adjust the cumulative effect in equity on the date of initial application (i.e., April 1, 2019) if any without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C is insignificant in our consolidated financial statements.

Amendment to Ind AS 12, Income taxes

The amendment relating to income tax consequences of dividend clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The adoption of the standard did not have any material impact to the consolidated financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on a dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

Amendment to Ind AS 19, plan amendment, curtailment or settlement

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

Results of Operations

The following table sets forth select financial data from our consolidated statement of profit and loss for Fiscal Years 2018, 2019 and 2020, the components of which are also expressed as a percentage of total income for such periods.

	Fiscal Year					
Particulars	**2018**		**2019**		**2020**	
	(₹ in millions, except for percentages)					
Income						
Revenue from Operations	113,229.6	91.8%	109,254.4	88.9%	114,387.7	83.3%
Gain arising from infrastructure development at Dhamra LNG terminal	—	—	—	—	4,343.0	3.2%
Other income	10,109.3	8.2%	13,623.4	11.1%	18,613.5	13.6%
Total Income	**123,338.9**	**100.0%**	**122,877.8**	**100.0%**	**137,344.2**	**100.0%**
Expenses						
Operating Expenses	32,318.3	26.2%	27,608.0	22.5%	30,972.6	22.6%
Employee Benefits Expense	4,473.2	3.6%	5,298.1	4.3%	5,465.2	4.0%
Finance Costs						
— Interest and Bank Charges	12,573.5	10.2%	14,283.0	11.6%	19,506.4	14.2%
— Derivative (Gain)/Loss (net)	2,380.2	1.9%	(431.1)	-0.4%	(1,375.0)	-1.0%
Depreciation and Amortization Expenses	11,883.7	9.6%	13,734.8	11.2%	16,802.8	12.2%
Foreign Exchange Loss (net)	832.9	0.7%	4,759.2	3.9%	16,263.8	11.8
Other Expenses	4,984.0	4.0%	5,673.5	4.6%	6,639.0	4.8%
Total Expenses	**69,445.8**	**56.3%**	**70,925.5**	**57.7%**	**94,274.8**	**68.6%**
Profit before share of loss from joint venture entities, exceptional items and tax	**53,893.1**	**43.7%**	**51,952.3**	**42.3%**	**43,069.4**	**31.4%**
Share of Loss from Joint Ventures	—	—	(0.6)	0.0%	(43.9)	0.0%

Particulars	Fiscal Year					
	2018		2019		2020	
	(₹ in millions, except for percentages)					
Profit before exceptional items and tax	**53,893.1**	**43.7%**	**51,951.7**	**42.3%**	**43,025.5**	**31.3%**
Exceptional items	(1,551.8)	-1.3%	(689.5)	-0.6%	(586.3)	-0.4%
Profit before tax	**52,341.3**	**42.4%**	**51,262.2**	**41.7%**	**42,493.2**	**30.9%**
Tax Expense						
Current Tax	15,463.9	12.5%	10,576.0	8.6%	7,074.9	5.2%
Deferred Tax	928.3	0.8%	2,193.1	1.8%	(1,446.0)	-1.1%
Less: Tax (credit) under Minimum Alternate Tax (MAT)	(950.4)	-0.8%	(1,954.4)	-1.6%	(1,035.0)	-0.8%
Total tax expenses	**15,441.8**	**12.5%**	**10,814.7**	**8.8%**	**4,593.9**	**3.3%**
Profit for the Year (A)	**36,899.5**	**29.9%**	**40,447.5**	**32.9%**	**37,845.3**	**27.6%**
Attributable to:						
Equity holders of the parent	36,736.2	29.8%	39,902.2	32.5%	37,631.3	27.4%
Non-controlling interests	163.3	0.1%	545.3	0.4%	214.0	0.2%
Other Comprehensive Income						
Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurement gains/(losses) on defined benefit plans	8.7	0.0%	(25.5)	0.0%	(29.0)	0.0%
Income tax impact, (charge)/credit	(2.8)	0.0%	3.2	0.0%	4.4	0.0%
	5.9	0.0%	(22.3)	0.0%	(24.6)	0.0%
Net Gains on FVTOCI Equity Investments	117.4	0.1%	232.5	0.2%	132.7	0.1%
Income tax impact, credit/(charge)	(17.4)	0.0%	(54.1)	0.0%	(27.6)	0.0%
	100.0	0.1%	178.4	0.1%	105.1	0.1%
Items that will be reclassified to profit or loss in subsequent periods						
Share in other comprehensive income of joint venture (net of tax)	—	—	—	—	(121.2)	-0.1%
Exchange difference on translation of foreign operations	(7.4)	0.0%	(2.0)	0.0%	406.9	0.3%
	(7.4)	0.0%	(2.0)	0.0%	406.9	0.3%
Total Other Comprehensive Income for the year (net of tax) (B)	**98.5**	**0.1%**	**154.1**	**0.1%**	**366.2**	**0.3%**
Attributable to						
Equity holders of the parent	94.0	0.1%	158.5	0.1%	370.6	0.3%
Non-controlling interests	4.5	0.0%	(4.4)	0.0%	(4.4)	0.0%
Total Comprehensive income for the year (net of tax) (A)+(B)	**36,998.0**	**30.0%**	**40,601.6**	**33.0%**	**38,211.5**	**27.8%**
Attributable to						
Equity holders of the parent	36,830.2	29.9%	40,060.7	32.6%	38,001.9	27.7%
Non-controlling interests	**167.8**	**0.1%**	**540.9**	**0.4%**	**209.6**	**0.2%**

Total Income. Total income consists of net revenue from operations and other income.

Revenue from Operations. Revenue from operations primarily consists of income from port operations (including port infrastructure services and export incentives), land lease, upfront premium and deferred infrastructure income (including annual income in respect of land finance leases), income from logistics services, income from development of container infrastructure and other operating income including construction and provision of utility services. Income from port operations (including port infrastructure services, other operating income including construction, income related to infrastructure development support services and export incentives) accounted for 67.9%, 86.6% and 90.4% of revenue from operations in Fiscal Years 2018, 2019 and 2020, respectively.

Gain arising from infrastructure development at Dhamra LNG terminal. Gain arising from infrastructure development of Port and LNG infrastructure at Dhamra accounted for 3.2% of total income in Fiscal Year 2020.

Other Income. Other income includes income from interest-bearing bank deposits and intercorporate deposits, dividend income, scrap sales, net profit on sale of fixed assets, and miscellaneous income. Other income as a percentage of our total income was 8.2%, 11.1% and 13.6% in Fiscal Years 2018, 2019 and 2020, respectively.

Total Expenses. Total expenses consist of operating expenses, employee benefits expense, other expenses, finance costs, foreign exchange (gain)/loss (net) and depreciation and amortization expenses. Our total expenses as a percentage of our total income was 56.3%, 57.7% and 68.6% in Fiscal Years 2018, 2019 and 2020, respectively.

Operating Expenses. Operating expenses includes handling expenses, infrastructure development expenditure, power and fuel costs, repair cost of plant and machinery, railway service charges, waterfront charges, revenue share paid to the respective port authorities, tug and pilotage charges, construction expenses, cargo freight and transportation expenses and maintenance dredging expenses. Operating expenses as a percentage of total income were 26.2%, 22.5% and 22.6% in Fiscal Years 2018, 2019 and 2020, respectively.

Employee Benefits Expense. Employee benefits expense consists of salaries, wages and bonus paid to employees, contributions to provident and other funds for the benefit of our employees, gratuity, workmen and staff welfare expenses. Employee benefits expense as a percentage of total income was 3.6%, 4.3% and 4.0% in Fiscal Years 2018, 2019 and 2020, respectively.

Other Expenses. Other expenses include rent, rates and taxes, insurance expenses, advertisement and publicity costs, legal and professional expenses, corporate support service fees, donations/corporate social responsibility, traveling and conveyance expenses, other repairs and maintenance expenses. Other expenses as a percentage of total income were 4.0%, 4.6% and 4.8% in Fiscal Years 2018, 2019 and 2020, respectively.

Finance Costs. Finance costs consist primarily of interest expense on debentures and bonds, fixed loans, buyers credit and other borrowings (net of finance costs capitalized to tangible property, plant and equipment on our consolidated balance sheet), bank and other finance charges, and net loss/(gain) on derivatives and swap contracts. Finance costs as a percentage of total income were 12.1%, 11.3% and 13.2% in Fiscal Years 2018, 2019 and 2020, respectively.

Depreciation and Amortization Expense. Depreciation and amortization expense relates to the depreciation and amortization of our tangible and intangible property, plant and equipment and other intangible assets. Depreciation and amortization expense as a percentage of total income was 9.6%, 11.2% and 12.2% in Fiscal Years 2018, 2019 and 2020, respectively.

Tax Expense. Tax expense comprises of current tax, deferred tax and tax credit under Minimum Alternate Tax.

Share of Non-controlling interests. The share of minority shareholders in profit or loss of Subsidiaries consists of the share of profit or loss of Adani Dahej, MIDPL, MITAP and ALSPL attributable to minority shareholders of these entities.

Fiscal Year 2020 Compared to Fiscal Year 2019

Total Income. Total income increased by 11.8% to ₹137,344.2 million in Fiscal Year 2020 from ₹122,877.8 million in Fiscal Year 2019.

Revenue from Operations. Revenue from operations increased by 4.7% to ₹114,387.7 million in Fiscal Year 2020 from ₹109,254.4 million in Fiscal Year 2019.

This increase is primarily due to:

- an increase in income from port operations (including port infrastructure services, other operating income and export incentives) of 9.3% to ₹103,392.3 million in Fiscal Year 2020 from ₹94,604.9 million in Fiscal Year 2019. The increase was primarily attributable to an increase in cargo volumes handled during Fiscal Year 2020.

- an increase in income from logistics service of 36.5% to ₹6,654.0 million in Fiscal Year 2020 from ₹4,876.2 million in Fiscal Year 2019. The increase was primarily due to the acquisition of Adani Agri Logistics Limited and Adani Logistics Services Pvt. Ltd (formerly known as Innovative B2B logistics Solutions Pvt. Ltd) and an increase in cargo handled during Fiscal Year 2020.

This increase was partially offset by a decrease in lease, upfront premium and deferred infrastructure income of 66.1% to ₹2,857.8 million in Fiscal Year 2020 from ₹8,433.5 million in Fiscal Year 2019. This decrease was primarily due to one-time income received from Mundra LPG Terminal Pvt. Ltd in Fiscal Year 2019.

Gain arising from infrastructure development at Dhamra LNG terminal: During Fiscal Year 2020, the Company's subsidiary Adani Logistics Limited entered into an onshore joint venture agreement (the "**JV Agreement**") with Total Holdings SAS ("**TOTAL**"). Upon closing the transaction and after we completed all the conditions precedent in the JV Agreement, we incurred a fair value gain of ₹4,343.0 million which was recorded as gain arising from infrastructure development of the port and LNG infrastructure at Dhamra, from the Company's erstwhile subsidiary Dhamra LNG Terminal Private Limited.

Other Income. Other income increased by 36.6% to ₹18,613.5 million in Fiscal Year 2020 from ₹13,623.4 million in Fiscal Year 2019 primarily due to an increase in net gain on fair value of financial instrument (mutual funds) of 13.2% to ₹487.0 million in Fiscal Year 2020 from ₹430.2 million in Fiscal Year 2019 and an increase in interest income from bank deposits, receivables and interest-bearing intercorporate deposits of 36.8% to ₹16,697.4 million in Fiscal Year 2020 from ₹12,201.9 million in Fiscal Year 2019.

Total Expenses. Total expenses including operating expenses, employee benefit expenses, depreciation, finance cost and other expenses increased by 32.9% to ₹94,274.8 million in Fiscal Year 2020 from ₹70,925.5 million in Fiscal Year 2019.

Operating Expenses. Operating expenses increased by 12.2% to ₹30,972.6 million in Fiscal Year 2020 from ₹27,608.0 million in Fiscal Year 2019, primarily due to:

- an increase in cargo handling/other charges to contractors (net of reimbursement) of 11.6% to ₹12,020.3 million in Fiscal Year 2020 from ₹10,774.4 million Fiscal Year 2019 primarily due to an increase in cargo handled at our ports.

- an increase in railway operating expenses of 54.6% to ₹6,148.0 million in Fiscal Year 2020 from ₹3,976.5 million in Fiscal Year 2019, primarily due to an increase in railway traffic and the higher volume of logistics business.

- an increase in power and fuel expenses of 3.0% to ₹3,300.1 million in Fiscal Year 2020 from ₹3,203.1 million in Fiscal Year 2019, primarily due an increase in cargo handled during Fiscal Year 2020.

- an increase in maintenance dredging expenses of 172.8% to ₹390.7 million in Fiscal Year 2020 from ₹143.2 million in Fiscal Year 2019, primarily due to an increase in dredging expenses at Adani Kandla and DPCL.

- an increase in repairs and maintenance expenses for plant and machinery of 20.3% to ₹698.4 million for Fiscal Year 2020 from ₹580.7 million for Fiscal Year 2019, due to the cyclical and routine repairs and maintenance required for various equipment.

- an increase in waterfront charges of 15.3% to ₹2,802.0 million for Fiscal Year 2020 from ₹2,429.2 million for Fiscal Year 2019, primarily due to revision in waterfront charges at Mundra.

This increase was partially offset by a reduction in stores, spares and consumables expenses of 27.0% to ₹1,880.7 million for Fiscal Year 2020 from ₹2,577.4 million for Fiscal Year 2019 primarily due to lower consumption of stores, spares and consumables for routine maintenance activities.

Employee Benefits Expense. Employee benefits expense increased by 3.2% to ₹5,465.2 million in Fiscal Year 2020 from ₹5,298.1 million in Fiscal Year 2019, primarily due to an annual increase in salaries and an increase in the number of employees.

Other Expenses. Other expenses increased by 17.0% to ₹6,639.0 million in Fiscal Year 2020 from ₹5,673.5 million in Fiscal Year 2019, primarily due to:

- an increase in charitable donations and other corporate social responsibilities of 16.2% to ₹1,103.4 million in Fiscal Year 2020 from ₹949.6 million in Fiscal Year 2019.

- an increase in other repairs and maintenance expenses of 13.1% to ₹668.2 million in Fiscal Year 2020 from ₹590.7 million in the Fiscal Year 2019, primarily due various routine maintenance expenses.

- an increase in legal and professional expenses of 35.4% to ₹1,303.2 million for Fiscal Year 2020 from ₹962.6 million for Fiscal Year 2019.

- an increase in insurance expenses of 30.6% to ₹595.2 million for Fiscal Year 2020 from ₹455.7 million for Fiscal Year 2019.

This increase was partially offset by a decrease in rent expenses of 82.2% to ₹64.9 million in Fiscal Year 2020 from ₹365.0 million in Fiscal Year 2019 primarily due to the change in the accounting of operating leases with the adoption of Ind AS 116.

Foreign Exchange (Gain)/Loss (net). The loss on foreign exchange variation (net) increased by 241.7% to ₹16,263.8 million in Fiscal Year 2020 from a loss of ₹4,759.2 million in Fiscal Year 2019 primarily due to fluctuations in the U.S. dollar Indian Rupee exchange rate.

Finance Costs. Finance costs increased by 30.9% to ₹18,131.4 million in Fiscal Year 2020 from ₹13,851.9 million in Fiscal Year 2019, primarily due to an increase in interest expenses on borrowings. This increase was partially offset by an increase in mark to market gain on swaps and derivative transactions entered into by us.

Depreciation and Amortization Expense. Depreciation and amortization expenses increased by 22.3% to ₹16,802.8 million in Fiscal Year 2020 from ₹13,734.8 million in Fiscal Year 2019, primarily due to the addition of new port terminal assets and acquisitions.

Profit before share of loss from joint venture entities, exceptional items and Tax. As a result of the foregoing, profit from ordinary activities before tax decreased by 17.1% to ₹43,069.4 million in Fiscal Year 2020 from ₹51,952.3 million in Fiscal Year 2019.

Exceptional items. Exceptional items increased to ₹586.3 million as a provision for revenue share on deemed storage income was made for Adani Murmugao Port Terminal Pvt. Ltd in Fiscal Year 2020 against the ₹1,219.0 million reversal of income that was recognized for the new LNG terminal. This increase was partially offset by ₹529.5 million towards a reversal of impairment provision for Adani Vizag in Fiscal Year 2019.

Tax Expense. Tax expense decreased by 57.5% to ₹4,593.9 million in Fiscal Year 2020 from ₹10,814.7 million in Fiscal Year 2019, primarily due to:

- a decrease in current tax of 33.1% to ₹7,074.9 million in Fiscal Year 2020 from ₹10,576.0 million in Fiscal Year 2019, primarily due to lower profit on account of loss on foreign exchange.

- a decrease in deferred tax of 165.9% to ₹1,446.0 million in Fiscal Year 2020 from ₹2,193.1 million in Fiscal Year 2019 primarily due to the re-measurement of outstanding deferred tax balances and an amount of ₹3,043.2 million has been written back in the Statement of Profit and Loss as a result of the new Taxation Law (Amendment) Ordinance, 2019 ("**Ordinance**") issued by Ministry of Law and Justice (Legislative Department).

- an increase in tax credit under MAT of 47.0% to ₹1,035.0 million in Fiscal Year 2020 from ₹1,954.4 million in Fiscal Year 2019.

Share of Non-Controlling Interest in Profit/Loss of Subsidiaries. The share of non-controlling interest in profit of our subsidiaries was ₹214.0 million in Fiscal Year 2020 on account of profit attributable to ports as compared to the share of non-controlling interest in profit of our Subsidiaries of ₹545.3 million in Fiscal Year 2019.

Profit for the year attributable to equity holders of the parent. As a result of the foregoing, profit for Fiscal Year 2020 attributable to equity holders of the parent decreased by 5.7% to ₹37,631.3 million in Fiscal Year 2020 from ₹39,902.2 million in Fiscal Year 2019. Our profit for the year attributable to equity holders of the parent as a percentage of total income was 27.4% in Fiscal Year 2020 as compared to 32.5% in Fiscal Year 2019.

Total Comprehensive income attributable to equity holders of the parent. As a result of the foregoing, total comprehensive income attributable to equity holders of the parent decreased by 5.1% to ₹38,001.9 million for the Fiscal Year 2020 from ₹40,060.7 million for Fiscal Year 2019. Our total comprehensive income for the year attributable to equity holders of the parent as a percentage of total income was 27.7% for Fiscal Year 2020 as compared to 32.6% for Fiscal Year 2019.

Fiscal Year 2019 Compared to Fiscal Year 2018

Total Income. Total income decreased by 0.4% to ₹122,877.8 million in Fiscal Year 2019 from ₹123,338.9 million in Fiscal Year 2018.

Revenue from Operations. Revenue from operations decreased by 3.5% to ₹109,254.4 million in Fiscal Year 2019 from ₹113,229.6 million in Fiscal Year 2018. This decrease is primarily because in Fiscal Year 2018 we earned a one-time income from development of container infrastructure of ₹22,021.7 million for the sale of container terminal to AICTPL and ACMTPL.

This decrease is partially offset by:

- an increase in income from port operations (including port infrastructure services, other operating income and export incentives) of 23.0% to ₹94,604.9 million in Fiscal Year 2019 from ₹76,923.2 million in Fiscal Year 2018. The increase was primarily attributable to an increase in cargo volumes handled during the year.

- an increase in lease, upfront premium and deferred infrastructure income of 42.6% to ₹8,433.5 million, in Fiscal Year 2019 from ₹5,915.3 million during Fiscal Year 2018, primarily due to an increase in the income received from Mundra LPG Terminal Pvt. Ltd.

Other Income. Other income increased by 34.8% to ₹13,623.4 million in Fiscal Year 2019 from ₹10,109.3 million in Fiscal Year 2018 mainly due to an increase in profit on sale of current investment (mutual funds) of 24.2% to ₹430.2 million in Fiscal Year 2019 from ₹346.4 million in Fiscal Year 2018 and an increase in interest income from bank deposits, receivables and interest-bearing intercorporate deposits of 35.4% to ₹12,201.9 million in Fiscal Year 2019 from ₹9,010.8 million in Fiscal Year 2018.

Total Expenses. Total expenses including operating expenses, employee benefit expenses, depreciation, finance cost and other expenses increased by 2.1% to ₹70,925.5 million in Fiscal Year 2019 from ₹69,445.8 million in Fiscal Year 2018.

Operating Expenses. Operating expenses decreased by 14.6% to ₹27,608.0 million in Fiscal Year 2019 from ₹32,318.3 million in Fiscal Year 2018, primarily due to:

- a container infrastructure development expenditure of ₹7,496.5 million in Fiscal Year 2018 against container development for AICTPL and ACMTPL.

- a reduction in railway service charges (net) of 23.5% to ₹3,976.5 million for Fiscal Year 2019 from ₹5,199.7 million for Fiscal Year 2018 due to a reduction in railway traffic and the lower volume of logistics business.

- a reduction in cargo freight and transportation expenses of 22.1% to ₹1,097.3 million for Fiscal Year 2019 from ₹1,409.3 million for Fiscal Year 2018 due to a reduction in railway traffic and the lower volume of logistics business.

This decrease was partially offset by:

- an increase in cargo handling/other charges to contractors (net of reimbursement) of 11.1% to ₹10,774.4 million in Fiscal Year 2019 from ₹9,699.4 million in Fiscal Year 2018 on account of cargo growth and operationalization of new port terminals.

- an increase in power and fuel expenses of 48.1% to ₹3,203.1 million in Fiscal Year 2019 from ₹2,162.9 million in Fiscal Year 2018.

- an increase in maintenance dredging expenses of 74.4% to ₹143.2 million in Fiscal Year 2019 from ₹82.1 million in Fiscal Year 2018, due to higher dredging expenses in Mundra.

- an increase in repairs and maintenance expenses for plant and machinery of 14.9% to ₹580.7 million for Fiscal Year 2019 from ₹505.4 million for Fiscal Year 2018, due to the cyclical and routine repairs and maintenance required for various equipment including a new port terminal.

Employee Benefits Expense. Employee benefits expense increased by 18.4% to ₹5,298.1 million in Fiscal Year 2019 from ₹4,473.2 million in Fiscal Year 2018, primarily due to an annual increase in salaries and an increase in the number of employees and a one-time incentive for achieving the milestone of handing 200 mmt cargo during Fiscal Year 2019.

Other Expenses. Other expenses increased by 13.8% to ₹5,673.5 million in Fiscal Year 2019 from ₹4,984.0 million in Fiscal Year 2018, due to:

- an increase in charitable donations and other corporate social responsibilities of 25.7% to ₹949.6 million for Fiscal Year 2019 from ₹755.7 million for Fiscal Year 2018.

- an increase in other repairs and maintenance expenses of 17.6% to ₹590.7 million for Fiscal Year 2019 from ₹502.5 million for Fiscal Year 2018 due to various routine maintenance expenses.

- an increase in legal and professional expenses of 8.9% to ₹962.6 million for Fiscal Year 2019 from ₹884.3 million for Fiscal Year 2018.

Foreign Exchange (Gain)/Loss (net). An increase in loss on foreign exchange variation (net) of 471.4% to a loss of ₹4,759.2 million in Fiscal Year 2019 from losses of ₹832.9 million in Fiscal Year 2018 was recorded, mainly on account of wide fluctuations in the U.S. dollar Indian Rupee exchange rate.

Finance Costs. Finance costs decreased by 7.4% to ₹13,851.9 million in Fiscal Year 2019 from ₹14,953.7 million in Fiscal Year 2018, mainly due to a mark to market gain on swaps and derivative transactions entered into by us and a decrease in bank and other finance changes, offset by increase in interest expenses on borrowings.

Depreciation and Amortization Expense. Depreciation and amortization expense increased by 15.6% to ₹13,734.8 million in Fiscal Year 2019 from ₹11,883.7 million in Fiscal Year 2018, primarily due to the addition of new port terminal assets.

Profit before share of loss from joint venture entities, exceptional items and Tax. As a result of the foregoing, profit from ordinary activities before tax decreased by 3.6% to ₹51,952.3 million in Fiscal Year 2019 from ₹53,893.1 million in Fiscal Year 2018.

Exceptional items. ₹1,219.0 million reversal of income was recognized earlier on account of the new LNG terminal, partially offset by ₹529.5 million towards reversal of impairment provision for Adani Vizag in Fiscal Year 2019 against the ₹1,551.8 million provision for impairment of Adani Vizag in Fiscal Year 2018.

Tax Expense. Tax expense decreased by 30.0% to ₹10,814.7 million in Fiscal Year 2019 from ₹15,441.8 million in Fiscal Year 2018, primarily due to:

- a decrease in current tax of 31.6% to ₹10,576.0 million in Fiscal Year 2019 from ₹15,463.9 million in Fiscal Year 2018 mainly due to 80IA claimed on profit on sale of a container terminal to ACMTPL.

- an increase in deferred tax of 136.2% to ₹2,193.1 million in Fiscal Year 2019 from ₹928.3 million in Fiscal Year 2018 mainly on account of claiming depreciation on project assets under income tax.

- an increase in tax credit under MAT of 105.6% to ₹1,954.4 million in Fiscal Year 2019 from ₹950.4 million in Fiscal Year 2018.

Our effective tax rates (i.e., total tax expenses divided by profit before tax) were 21.1% and 29.5% in Fiscal Years 2019 and 2018, respectively.

Share of Non-Controlling Interest in Profit/Loss of Subsidiaries. The share of non-controlling interest in profit of our Subsidiaries was ₹545.3 million in Fiscal Year 2019, on account of profit attributable to ports as compared to the share of non-controlling interest in profit of our Subsidiaries of ₹163.3 million in Fiscal Year 2018.

Profit for the year attributable to equity holders of the parent. As a result of the foregoing, profit for the year attributable to equity holders of the parent increased by 8.6% to ₹39,902.2 million in Fiscal Year 2019 from ₹36,736.2 million in Fiscal Year 2018. Our profit for the year attributable to equity holders of the parent as a percentage of total income was 32.5% in Fiscal Year 2019 as compared to 29.8% in Fiscal Year 2018.

Total Comprehensive income for the year attributable to equity holders of the parent. As a result of the foregoing, total comprehensive income for the year attributable to equity holders of the parent increased by 8.8% to ₹40,060.7 million for Fiscal Year 2019 from ₹36,830.2 million for Fiscal Year 2018. Our total comprehensive income for the year attributable to equity holders of the parent as a percentage of total income was 32.6% for Fiscal Year 2019 as compared to 29.9% for Fiscal Year 2018.

Financial Condition, Liquidity and Capital Resources

We broadly define liquidity as our ability to generate sufficient funds from internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing for our various projects. Liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We have historically financed our capital requirements primarily through cash generated from our operations, financing from banks and other financial institutions in the form of term loans and cash generated from the issuance of equity shares of our Company and issuances of notes. Our primary capital requirements have been capital expenditures to develop new facilities and expand and improve existing facilities and other capital expenditure and working capital requirements. We believe that we will have sufficient capital resources from our operations, net proceeds of this offering and other financings from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

Cash Flows

The table below summarizes our cash flows for Fiscal Years 2018, 2019 and 2020.

Particulars	Fiscal Year		
	2018	2019	2020
		₹ in millions	
Statement of Operations Data:			
Net cash inflow from operating activities	56,081.4	60,294.0	74,018.1
Net cash (outflow)/inflow from investing activities	(38,458.4)	(44,241.5)	(7,504.2)
Net cash (outflow)/inflow from financing activities	(18,890.3)	23,133.4	(42,556.3)
Net (decrease)/increase in cash and cash equivalents	(1,267.3)	39,185.9	23,957.6
Cash and cash equivalents at beginning of year	9,502.1	8,234.8	47,981.9
Cash and cash equivalents on acquisition of Subsidiary	—	914.4	26.3
Reduction in cash and cash equivalents on account of loss of control of Subsidiary	—	(353.2)	(11.2)
Cash and cash equivalents at end of year	8,234.8	47,981.9	71,954.6

Operating Activities

The changes in cash flows including working capital were primarily attributable to the expansion of our business including the addition of assets at our Multi-purpose Terminal 3, development of the south basin at Mundra, the development of the steel and timber handling yard, the doubling of the railway line at Mundra Port, and other ports becoming operational like Hazira Port, Dahej Port, acquisition of Dhamra Port and commissioning of the terminal at Murmugao Port, Vizag Port and Kandla Port.

Fiscal Year 2020

Net cash inflow from operating activities was ₹74,018.1 million in Fiscal Year 2020, mainly on account of (i) net profit before tax of ₹42,439.2 million, as adjusted primarily for finance costs, depreciation, unrealized derivative loss (gain), unrealized foreign exchange loss (gain) and finance income and (ii) working capital changes.

Outflow of working capital changes included an increase in inventory of ₹446.5 million, an increase in other assets of ₹6,129.4 million, an increase in trade receivables of ₹1,756.6 million and direct taxes paid (net) of ₹8,495.7 million.

Inflow from working capital changes included an increase in trade payables of ₹843.4 million, an increase in other financial liabilities of ₹763.1 million, a decrease in financial assets of ₹5,125.6 million, an increase in provision of ₹62.8 million and an increase in other liabilities of ₹11,446.9 million.

The changes in working capital were primarily attributable to the expansion of our business at Mundra Port, Hazira Port, Kattupali, Dahej Port, Dhamra Port and the commissioning of the terminals at Ennore and Kattupalli Port and the acquisition of Adani Agri Logistics.

Fiscal Year 2019

Net cash inflow from operating activities was ₹60,294.0 million in Fiscal Year 2019, mainly on account of (i) net profit before tax of ₹51,262.2 million, as adjusted primarily for finance costs, depreciation, unrealized derivative loss (gain), unrealized foreign exchange loss (gain) and finance income and (ii) working capital changes.

Outflow of working capital changes included an increase in inventory of ₹2,569.2 million, an increase in other assets of ₹3,189.8 million, a decrease in provisions of ₹39.3 million, an increase in financial assets of ₹9,611.7 million, and net (paid) direct taxes of ₹11,065.1 million.

Inflow from working capital changes included a decrease in trade receivables of ₹12,642.6 million, an increase in trade payables of ₹795.8 million, an increase in other financial liabilities of ₹1,270.2 million and an increase in other liabilities of ₹1,018.4 million.

The changes in working capital were primarily attributable to the expansion of our business at Mundra Port, Hazira Port, Dahej Port, Dhamra Port and the commissioning of the terminals at Ennore and Kattupalli Port.

Fiscal Year 2018

Net cash inflow from operating activities was ₹56,081.4 million in Fiscal Year 2018, mainly on account of (i) net profit before tax of ₹52,341.3 million, as adjusted primarily for finance costs, depreciation, unrealized derivative loss (gain), unrealized foreign exchange loss (gain) and finance income and (ii) working capital changes.

Outflow of working capital changes included an increase in financial assets of ₹4,894.3 million, an increase in trade receivables of ₹15,614.7 million, a decrease in trade payables of ₹250.6 million and net direct taxes paid of ₹9,991.8 million. Inflow of working capital changes included a decrease in inventory of ₹448.7 million, an increase in other financial liabilities of ₹842.9 million, an increase in provisions of ₹44.3 million, a decrease in other assets of ₹11,629.7 million and an increase in other liabilities of ₹723.1 million.

The changes in working capital were primarily attributable to the expansion of our business at Mundra Port, Hazira Port, Dahej Port, Dhamra Port, and Kandla Port. Operations started at Container Terminal-3 extension and Container Terminal-4 at Mundra Port.

Investing Activities

Fiscal Year 2020

Net cash outflow in investing activities was ₹7,504.2 million in Fiscal Year 2020, which was primarily due to (i) outflows of ₹36,214.1 million for the purchase of plant, property and equipment, ₹2,734.6 million of payments made for the acquisition of equity in Subsidiaries, ₹375,320.3 million of inter-corporate deposits/loans given, ₹3,792.5 million payment of deposit given against capital commitments, ₹2,893.6 million investment in preference share in joint venture entities and ₹1,911.5 million equity investment in joint venture entities/Associates and (ii) inflows of receipts from fixed deposits of ₹10,647.4 million, ₹377,946.2 million of inter-corporate deposits and loans received back, ₹19,773.7 million from interest received and ₹4,920 million sale of investment in short term debenture and commercial paper.

Fiscal Year 2019

Net cash outflow from investing activities was ₹44,241.5 million in Fiscal Year 2019, which was primarily due to (i) outflows of ₹29,404.9 million for the purchase of plant, property and equipment, ₹14,781.6 million of payments made for the acquisition of equity in Subsidiaries, ₹193,062.2 million of intercorporate deposits/loans given, ₹20,646.1 million payment of deposit given against capital commitments and (ii) inflows of receipts from fixed deposits of ₹10,055.4 million, ₹192,663.1 million of intercorporate deposits and loans received back, receipt from redemption of investment in non-convertible debentures of ₹3,170.0 million and ₹6,533.7 million from interest received.

Fiscal Year 2018

Net cash outflow from investing activities was ₹38,458.4 million in Fiscal Year 2018, which was primarily due to (i) outflows of ₹27,321.5 million for the purchase of plant, property and equipment, ₹3,750.0 million for advances paid for the acquisition of business, a ₹1,928.4 million deposit given against capital commitment, ₹99,176.5 million of intercorporate deposits/loans given, and ₹11,076.7 million in fixed deposits and (ii) inflows of ₹3,960.0 million from the sale of short term investments in debentures/ commercial paper, ₹97,629.6 million of intercorporate deposits and loans received back and ₹6,059.7 million from interest received.

Financing Activities

Fiscal Year 2020

Net cash outflow from financing activities was ₹42,556.3 million in Fiscal Year 2020, primarily due to (i) outflows of ₹70,633.9 million for the repayment of long term borrowings including debentures, ₹46,085.9 million for the repayment of short-term borrowings, ₹37,751.2 million net outflow movement in current borrowing, ₹19,600.0 million payment on buyback of equity shares, ₹8,446.2 million for the payment of dividends including dividend distribution tax and ₹19,238.7 million interest and finance charges paid and (ii) inflows of ₹121,991.2 million from the proceeds from long-term borrowings, and proceeds from short term borrowings of ₹36,495.0 million.

Fiscal Year 2019

Net cash inflow from financing activities was ₹2,313.3 million in Fiscal Year 2019, primarily due to (i) inflows of ₹1,546.3 million from the proceeds from long-term borrowings, and proceeds from short term borrowings of ₹363,486.8 million and (ii) outflows of ₹18,099.9 million for the repayment of long term borrowings including debentures, ₹303,855.8 million for the repayment of short-term borrowings, and ₹5,050.5 million for the payment of dividends including dividend distribution tax and ₹14,717.2 million interest and finance charges paid.

Fiscal Year 2018

Net cash outflow from financing activities was ₹18,890.3 million in Fiscal Year 2018, primarily due to (i) inflows of ₹56,956.3 million from the proceeds from long-term borrowings (including bond issue proceeds) and the proceeds from short-term borrowings of ₹157,417.9 million and (ii) outflows of ₹32,912.4 million for the repayment of long-term borrowings including debentures, ₹183,455.9 million for the repayment of short-term borrowings, ₹11,639.5 million for interest and finance charges paid and a ₹3,239.7 million payment of dividends on equity and preference shares (including dividend distribution tax).

Indebtedness (Excluding Corporate Guarantees)

As at March 31, 2020, our total indebtedness (excluding corporate guarantees) outstanding were ₹300,757.9 million on a consolidated basis. The total borrowings (indebtedness) as at March 31, 2020 consisted of long-term borrowings, current maturities of long-term borrowings and short-term borrowings. The borrowings include Rupee loans, foreign currency loans, bonds, notes, debentures and liability component of preference shares.

The following table shows the maturity profile of such indebtedness as at March 31, 2020:

Particulars	Total as at March 31, 2020	Due less than 1 year	Due between 1 and 2 years	Due between 3 and 5 years	Due more than 5 years
			₹ In million		
Secured Borrowings	85,335.6	5,300.4	9,494.8	33,418.3	37,122.1
Unsecured Borrowings	209,291.8	27,513.8	37,730.2	49,448.2	94,599.6
Total Borrowings (excluding Bills Discounted)	**294,627.4**	**32,814.2**	**47,225.0**	**82,866.5**	**131,721.7**
Customers' Bills Discounted (unsecured)	6,130.5	6,130.5	—	—	—
Total Borrowings (Indebtedness)	**300,757.9**	**38,944.7**	**47,225.0**	**82,866.5**	**131,721.7**

* Reference exchange rate:
₹75.67 per U.S.$1.00
₹82.77 per EUR1.00
₹93.50 per GBP1.00
₹0.70 per JPY1.00
₹46.08 per AUD1.00
₹53.03 per SGD1.00

The split of our borrowing across Rupee loans, foreign currency loans, U.S. dollar bonds, Rupee debentures, commercial paper, suppliers credit and others as on March 31, 2020 was as follows:

Particulars	₹ in Million	Composition (%)
Commercial Paper and Others	2,941.2	0.98%
Foreign Currency Loans	19,896.4	6.62%
Suppliers bills accepted under foreign currency letter of credit	614.1	0.20%
Foreign Currency Bonds	180,156.3	59.90%
Customers Bill Discounting	6,130.5	2.04%
Debentures	51,494.1	17.12%
Packing credit in Rupee currency	4,000.0	1.33%
Debt Component of Preference Share	970.9	0.32%
Rupee Term Loans	26,054.4	8.66%
Short Term Loans	8,500.0	2.83%
Total Borrowings	**300,757.9**	**100.00%**

There are certain restrictive covenants in the agreements we have entered into with our lenders, including:

- Creation of security over existing and future assets of our port facilities.
- Incurrence of additional indebtedness.
- Making certain restricted payments.
- Prepaying any indebtedness prior to its maturity date.
- Investing in equity interests or purchasing assets, other than in ordinary course of our business, unless certain conditions are satisfied.
- Sale or other disposition of assets.
- Change or expansion in scope of business.
- Entering into certain corporate transactions such as reorganizations, amalgamations and mergers.
- Pledges over the shares of our Subsidiaries for financing of specific projects.

See "*Risk Factors — Risks Related to Our Business — Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, cash flows and results of operations. Any breach of the terms under our financing arrangements could trigger cross-acceleration under our other financing arrangements, leading to termination of one or more of our financing arrangements*" and "*Description of Material Indebtedness*" for further details.

Contractual Obligations and Commercial Commitments

Our material contractual obligations, which consist of contracts (net of advances remaining) to be executed on capital account and not provided for and other capital commitments (and not including indebtedness) as at March 31, 2020 are set out below:

Particulars	As at March 31, 2020	Less than 1 year	Between 1 and 5 years	More than 5 years
		(₹ in millions)		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	129,399.2	13,630.1	72,581.6	43,187.5

Capital Expenditures

For Fiscal Years 2018, 2019 and 2020, we purchased property, plant and equipment of ₹27,321.5 million, ₹29,404.9 million and ₹36,214.1 million, respectively. Most of our capital expenditure was incurred in connection with the development of port facilities, including the purchase of machinery and equipment.

However, amid the ongoing impact of the COVID-19 pandemic on global trade, we have revised our capital expenditure plans to reduce our capital expenditure for the rest of Fiscal Year 2021. We intend to continue with the aforementioned expansion plans. The revised capital expenditure plan also has a number of discretionary projects and hence there is an inherent ability to further defer some capital expenditure if the impact of the pandemic is longer than currently envisaged. See "*Our Business — Recent Developments — Impact of COVID-19*" for more details on the impact of COVID-19 on our operations.

Contingent Liabilities

Our contingent liabilities as per Ind AS 37 as at March 31, 2020 is as follows:

Particulars	As at March 31, 2020
	(₹ in millions)
Corporate guarantees given to banks and financial institutions against credit facilities availed by joint venture entities	7,747.6
Our Company has disputed tax demand for assessment years 2011-12 to 2015-16. The management is reasonably confident that no liability will be devolved on our Company	1,258.0
Bank guarantees and letter of credit outstanding against credit facilities availed by the Joint venture entities and other group company	8,595.9
Bank guarantees given to government authorities and bank (also includes DSRA bank guarantees given to bank on behalf of Subsidiaries and erstwhile Subsidiaries)	3,528.3
Various matters pending with customs and service tax authorities	946.5
Statutory claims not acknowledged as debts	39.4
Matters pending with Income tax authorities — Others	57.1
Matter pending with authorities relating to fulfilment of condition precedents as per agreement	24.3
Civil suits filed by customers	9.4

1. During Fiscal Year 2020, an amnesty scheme, Sabka Vishwas Legacy Dispute Resolution Scheme, was introduced by the Central Government to settle pending litigations under the Central Excise & Service Tax Law. Any tax amount payable under the scheme is required to be paid by cash and cannot be paid by utilizing the input tax credit balance and litigations once settled under the scheme shall never be reopened from either side. We have opted for the scheme and accordingly we have settled pending litigations amounting to ₹1,126.9 million (including show cause notices received in Fiscal Year 2020 in an amount of ₹228.0 million).

2. Matter of one of the acquired subsidiary companies pending with Central Warehousing Corporation amounting to ₹101.4 million in respect of which the previous promoter has agreed to indemnify the Group in case of any liability arising out the same.

Related Party Transactions

We have in the past engaged, and in the future may engage, in transactions with related parties, including with our affiliates. Such transactions (which include unsecured intercorporate deposits and corporate guarantees given on behalf of our Subsidiaries and joint ventures) could be for, among other things, rendering of port services, handling services, purchase of goods and assets, interest bearing loans and advances, rent or lease of certain properties, sale and purchase of machinery, products or raw materials, dividends, and/or remuneration.

Below are the details of the transactions with our related parties as per Ind AS 24 for Fiscal Year 2020.

We recorded income from port services/other operating income:

- ₹6,799.7 million for rendering of services to Adani Power Mundra Pvt. Limited.
- ₹3,860.0 million for rendering of services to Adani Enterprises Limited.
- ₹716.3 million for rendering of services to Adani Wilmar Limited.
- ₹169.2 million for rendering of services to Adani Bunkering Private Limited.
- ₹26.8 million for rendering of services to Adani Power Rajasthan Limited.

We recorded income from sales of non-financial assets:

- ₹5,841.8 million for a sale of non-financial assets to Adani Wilmar Limited.

Below are the details of the transactions with our related parties as per Ind AS 24 for Fiscal Year 2019.

We recorded income from port services/other operating income:

- ₹4,537.6 million for rendering of services to Adani Power Mundra Pvt. Limited.
- ₹4,182.6 million for rendering of services to Adani Enterprises Limited.
- ₹563.5 million for rendering of services to Adani Wilmar Limited.
- ₹199.7 million for rendering of services to Adani Bunkering Private Limited.
- ₹171.6 million for rendering of services to Adani Power Rajasthan Limited.
- ₹9,457.0 million for a purchase of investment from Adani Enterprises Limited.

Below are the details of the material transactions with our related parties as per Ind AS 24 for Fiscal Year 2018.

We recorded income from port services/other operating income:

- ₹3,814.8 million for rendering of services to Adani Enterprises Limited.
- ₹3,479.8 million for rendering of services to Adani Power Mundra Pvt. Limited.
- ₹1,899.0 million for rendering of services to Adani Wilmar Limited.
- ₹579.5 million for rendering of services to Adani Power Rajasthan Limited.
- ₹297.0 million for rendering of services to Adani Bunkering Private Limited.

We recorded income from development of container terminal infrastructure:

- ₹11,697.7 million for development of container terminal infrastructure for Adani International Container Terminal Pvt. Ltd.

- ₹10,890.8 million for development of container terminal infrastructure for Adani CMA Mundra Terminal Pvt. Ltd.

We recorded lease and infrastructure usage income/upfront premium:

- ₹2,385.2 million for lease and infrastructure usage income/upfront premium from Adani CMA Mundra Terminal Pvt. Ltd.

- ₹2,112.3 million for lease and infrastructure usage income/upfront premium from Adani International Container Terminal Pvt. Ltd.

We believe each of the arrangements listed above has been entered into on arm's length terms, or on terms that we believe are at least as favorable to us as similar transactions with unrelated parties.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodities risk. We are exposed to exchange rate risk, interest rate risk, commodity risk, credit risk and inflation risk in the normal course of our business.

Exchange Rate Risk

We face exchange rate risk because certain of our obligations, revenue and assets are denominated in foreign currencies. To manage exchange rate risk, we enter into forward and swap contracts with various counterparties for U.S. dollars and Euro. Details of outstanding positions under our forward and swap contracts as at March 31, 2020 are set out below:

Nature of Instrument (in millions)	As at March 31, 2020
Forward Contract for foreign currency borrowing principal and interest liability	U.S.$140.1
Forward Contract for Hedging foreign currency borrowing principal and interest liability	U.S.$46.0

While we believe that our forward contracts might protect us against certain short-term swings in the Rupee-U.S. dollar, Rupee-Euro and Rupee-Japanese Yen exchange rates, there can be no assurance that they will fully mitigate any adverse movements in exchange rates. Details of our foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2020 are set out below:

Denominated Currency	As at March 31, 2020
	(₹ in millions)
Foreign Currency Loans	
U.S. dollar	1,968.8
Euro	7,663.5
Foreign currency Bond	
U.S. dollar	173,168.8
Buyer's Credit	
Japanese Yen	614.1
Trade Payables	
U.S. dollar	1,539.9
Euro	170.3
SGD	2.6
GBP	0.1
Trade Receivables	
U.S. dollar	24.1
Interest Accrued but Not Due	
U.S. dollar	1,378.0
Euro	15.7
Japanese Yen	0.4
Loans Given	
U.S. dollar	5,035.5
Other Receivables	
Australian Dollar	52.6
U.S. dollar	508.2
Euro	0.6
Japanese Yen	0.3
Balance with Bank	
U.S. dollar	3.0

Interest Rate Risk

We are subject to interest rate risk, primarily because some of our borrowings and our deposits of cash and cash equivalents with banks and other financial institutions are at floating interest rates. As at March 31, 2020, 17.3% of our indebtedness consisted of floating rate indebtedness.

To manage interest rate risk, from time to time we enter into swap contracts with various counterparties to protect against the volatility of interest rates of our outstanding indebtedness. Details of our interest rate swap contracts are set out below as at March 31, 2020:

Nature of Instrument	Currency (millions)	As at March 31, 2020
Foreign Currency Swap — Rupee full currency swap	U.S.$	111.4

Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the various central banks, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations.

Commodity Risk

We are exposed to market risk with respect to the prices of raw material cargo we handle, particularly coal and crude oil cargo. The prices of such raw materials are subject to fluctuation based on commodity prices, which may affect the volumes of such cargo handled.

Credit Risk

We are exposed to credit risk on trade receivables from customers and other counterparties. We try to control our credit risk by assessing the credit quality of our customers, taking into account their financial position, past experience and other factors.

Inflation Risk

India has experienced high inflation in recent years, which has contributed to an increase in interest rates, adversely affecting both sales and margins.

The table below shows wholesale price index of India for the fiscal years indicated:

Wholesale Price Index	2018	2019	2020
India	114.9	119.8	121.1

Source: Office of Economic Advisor GOI.

Seasonality of Business

Our results of operations do not generally exhibit seasonality.

*In this section, we have included data relating to the port industry, both internationally and within India, and other statistics. This information is based on industry publications, published sources and other publicly available information, as well as the beliefs of our management. We believe that the sources used are reliable; however, we cannot ensure the accuracy or completeness of underlying assumptions of this information, and none of our Company, the Joint Bookrunners, the Trustee, the Agents or any other person connected with this offering has independently verified this information. The industry information included in this section may moreover be prepared as at specific dates and may no longer be current or reflect current trends, or based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Investors should not place undue reliance on this industry information. Unless noted otherwise, the information in this section is derived from the publications by the Transport Research Wing, Ministry of Shipping of the GOI. Fiscal Years 2018, 2019, 2020 (half and full year) traffic, capacity, utilization and operating performance figures (turnaround time and output per ship berth day) reflected are provisional figures. Additionally, amounts of petroleum, oil and lube ("**POL**") cargo volume handled include crude oil cargo. In the other sections of this Offering Circular, amounts of POL cargo volume handled exclude crude oil cargo.*

Indian Port Industry

In 2020, the International Monetary Fund ("**IMF**") continues to expect India to be the third largest economy in the world by purchasing power parity (U.S.$12.4 trillion). However, as a result of the global economic turmoil in 2020, the IMF expects India's 2020 GDP to contract by 10.3% while expecting Global GDP to contract by 4.4%. This is expected to be driven primarily by COVID-19 and the associated impact on global trade and economies. However, in 2021, India is expected to return to historical growth rates with an estimated GDP growth of 8.8%.

According to the IMF, India overtook the UK and France in 2019 to become the fifth largest economy in the world by nominal GDP (U.S.$2.94 trillion).

The port sector plays an important role in the overall economic development of the country, with the shipping industry having played a crucial role in the transport sector of India's economy over the years. Approximately 95% of the country's trade by volume and 68% by value is moved through Maritime Transport (source: Ministry of Shipping annual report 2020).

India's port industry has grown exponentially from five ports, handling cargo traffic tonnage of around 20 mmt per year at the time of independence, to the current 13 ports which fall under the jurisdiction of the GOI ("**Major Ports**") and approximately 205 Non-Major Ports which fall under the state governments' jurisdiction ("**Non-Major Ports**"), handling 1,307 mmt of cargo in Fiscal Year 2020 (source: *Ministry of Shipping of GOI, Indian Ports Association*).

Competitive Advantages

Over the years, Indian ports have leveraged several key competitive advantages.

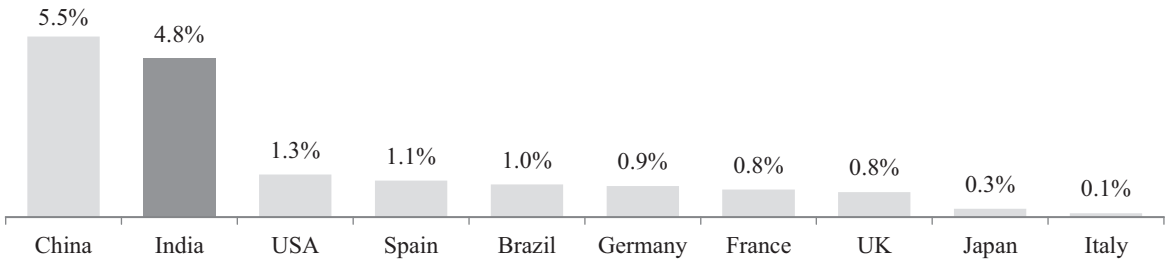
Natural geographical advantage

The Indian port sector benefits from the natural geographical advantage that India possesses. According to the Indian Ports Association and the Ministry of Shipping, India has an extensive coastline of 7,517 kilometers (excluding the Andaman and Nicobar Islands), interspersed with more than 212 ports (including Major and Non-Major Ports). Cargo ships often sail between East Asia and America, Europe and Africa pass through Indian territorial waters, providing Indian ports with a unique geographical advantage. Therefore, this is an important natural resource for the country's trade.

Strong macroeconomic fundamentals

According to IMF, India's real GDP has grown at an average rate of over 7.0% per annum during 2010 to 2019 led by increased domestic consumption and infrastructure spending. Although the International Monetary Fund ("**IMF**") expects India's GDP to contract by 10.3% in 2020, it also expects it to grow at 8.8% in 2021. The IMF further estimates an average 4.8% in real GDP growth rate for India over 2020 to 2025, making it one of the fastest growing economies in the world. The below chart sets out expected growth rates in GDP per capita over 2020 to 2025 for select countries.

Average Real GDP Growth (2020-2025E) of Key Economies



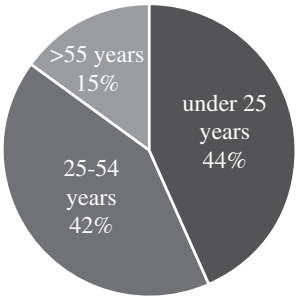
Source: International Monetary Fund

Note: GDP at constant prices in national currency

India's economic growth has been quite resilient over the years and majorly dependent on its own domestic consumption. India is the second most populated country in the world with a large portion of its population forming part of the working age group. According to the CIA — The World of Factbook (2020), 43.8% of India's population was under the age of 25 years with another 41.6% between the age of 25 to 54 years.

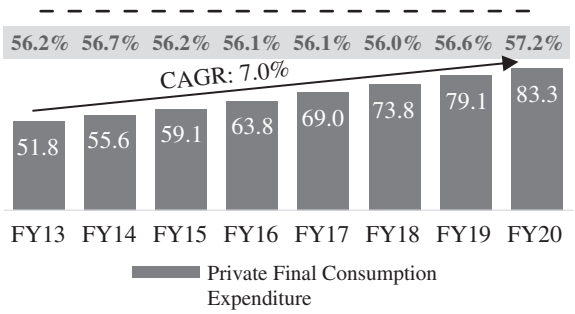
Strong domestic consumption has consistently been a major contributor to India's GDP. According to Reserve Bank of India, Private Final Consumption Expenditure ("**PFCE**"), which is defined as the expenditure incurred on final consumption of goods and services by the resident households and non-profit institutions serving households, has grown at a CAGR of 7.0% from Fiscal Year 2013 to Fiscal Year 2020, in-line with India's overall GDP growth. India's PFCE has been consistently over 56% of its total GDP during the same period highlighting its strong domestic consumption story.

India Population Breakdown by Age



Source: CIA — The World of Factbook, Updated July 2020

Private Final Consumption Expenditure in Rs Tn and as % of GDP



Source: Ministry of Statistics and Program Implementation National Accounts Statistics 2020

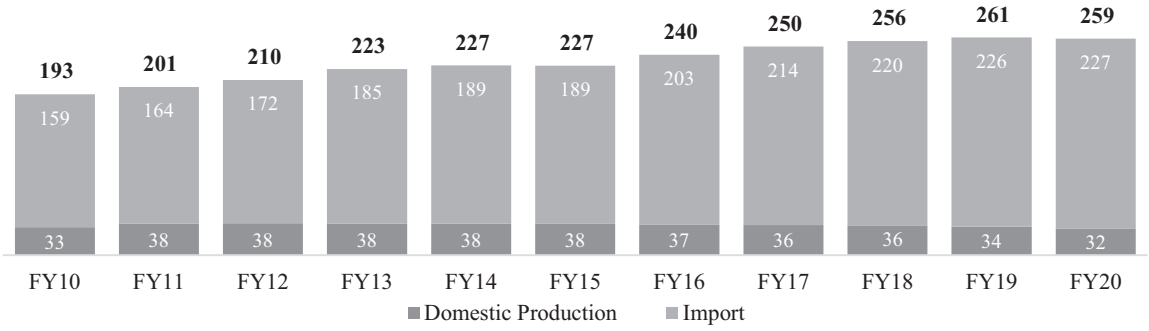
Growing demand for energy

On the back of the India's strong economic growth and domestic consumption, there has been rising energy demand.

According to the Ministry of Petroleum and Natural Gas (India), India's oil import dependence (on a volume basis) reached 84.7% in Fiscal Year 2020 from 80.6% in Fiscal Year 2016. The country's oil consumption grew from 184.7 mmt in Fiscal Year 2016 to 213.6 mmt in Fiscal Year 2020.

With consumption growing at a brisk pace and domestic crude output remaining stagnant, the Ministry of Petroleum and Natural Gas expects India's dependence on imports to grow further ahead. Ports in India have benefitted from Petroleum, Oil and Lubricants ("**POL**") traffic which contributed 33% to the total cargo in Fiscal Year 2020.

India Crude Oil Production and Imports (mmt)



Source: Petroleum Planning & Analysis Cell, Ministry of Petroleum & Natural Gas (Government of India)

Coal is the most important and abundant fossil fuel in India. According to the Ministry of Coal of the GOI, coal accounts for 55% of India's energy need.

According to the Ministry of Coal, in Fiscal Year 2020, the coal production in India was estimated to be 729 mt with imports in excess of 207 mt. The coal imports for India have grown at a CAGR of 12.4% during Fiscal Year 2010 to 2019 driven primarily by the domestic energy requirements and the demand supply gap in domestic production. Commercial primary energy consumption in India has grown by about 700% in the last four decades. The Government of India has set a target of making India a U.S.$5 trillion economy by 2025 which will continue to drive the demand for energy and coal in India.

According to IEA, based on current policies, India's energy demand could double by 2040, with electricity demand potentially tripling as a result of increased appliance ownership and cooling needs. The steady demand for energy and coal in India is further reflected in the increasing coastal movement of coal over the years.

According to data from the Ministry of Shipping, coastal shipping traffic of coal at Major Ports increased by 0.4% while at Non-Major Ports increased by 9.7% between Fiscal Year 2017 and Fiscal Year 2018. In Fiscal Year 2020, total coal cargo handled by Indian Major Port was 149.3 mmt against 161.4 mmt in Fiscal Year 2019, shrinking by approximately 7.5%. Coal traffic contribution in Indian major ports volume in Fiscal Year 2019 was 23%, which has cut down to 21% in Fiscal Year 2020. This indicates that Indian Major ports commodity basket is diversifying and its dependence on coal cargo is reducing (source: *Ministry of Shipping and Indian Ports Association 20*).

Apart from POL and coal, India's requirement for natural gas also continues to increase significantly. According to the Petroleum and Natural Gas Regulatory Board ("**PNGRB**"), India is the fourth largest LNG importer after Japan, China and South Korea with natural gas contributing about 6% to India's overall energy mix in 2018.

The Government further plans to increase reliance on natural gas and aims to increase its share to 15% by 2030. However, similar to oil, in case of natural gas, import dependency has increased from 44.6% in Fiscal Year 2017 to 51.7% in Fiscal Year 2020 driven primarily by the stagnant domestic production of natural gas.

Types of Ports — Major and Non-Major

According to the Ministry of Shipping, Indian ports are classified as either "Major Ports" or "Non-Major Ports", a distinction rooted in the level of control and governance of the port, not the capacity or cargo traffic. There are 13 Major Ports and approximately 205 notified Non-Major Ports across India.

The following map shows the location of Major Ports and some of the Non-Major Ports in India:



Major Ports are typically ports with a combination of dedicated bulk terminals, specialized container terminals and general cargo berths.

According to the Ministry of Shipping, Major Ports are under the jurisdiction of the GOI and are governed by the Major Port Trusts Act, 1963; except Ennore Port which is administered under the Companies Act, 1956. Under the Major Port Trust Act, all administrative and financial matters of each Major Port (except for Ennore Port) are overseen by a Board of Trustees, with the appointment of the Chairman of each Major Port by the GOI.

The Board of Trustees has effective ownership of and control over all port assets and liabilities and is empowered to handle all port administration and operations, including the power to enter into all contracts with respect to various works and services to be provided by the port and to control all financial matters, including budget management, revenues and investment-related activities of the port. The Board of Trustees must submit all port-related revenues and expenditures to the GOI, which are subject to scrutiny of the Comptroller and Auditor General of India.

Non-Major Ports are typically privately-run commercial ports, which provide ports and related services for various types of cargo including bulk, containers and crude, or captive ports for certain business (which does not serve third parties or commercial cargo).

These ports are governed by the Indian concurrent list of the Constitution and are administered under the Indian Ports Act. At the state level, the department in charge of ports or the state maritime board (created through state legislation as in the case of Gujarat) is responsible for formulating policies and plans concerning waterfront development, regulating and overseeing the management of state ports, attracting private investment in state ports and enforcing environmental protection standards. Maritime boards have so far been constituted only in Gujarat, Kerala, Maharashtra and Tamil Nadu.

Government Policy Support

Sagarmala Initiative

The Sagarmala Project, launched in March 2015, is the flagship program of the GOI to promote port-led development in India and to provide infrastructure to transport goods to and from ports quickly, efficiently and cost-effectively.

The concept of Sagarmala was approved by the Union Cabinet on March 25, 2015. As part of the programme, a National Perspective Plan (NPP) for the comprehensive development of India's 7,500 km coastline, 14,500 km of potentially navigable waterways and maritime sector has been prepared the Maritime India Summit 2016.

The Sagarmala Project aims to reduce logistics costs for exports and imports as well as domestic trade with minimal infrastructure investment. The Sagarmala initiative will achieve this by focusing on four main strategies:

- Reducing the cost of transporting domestic cargo through optimizing modal mix;
- Lowering logistic costs of bulk commodities by locating future industrial capacity near the coast;
- Optimizing time/cost of EXIM container movement; and
- Improving export competitiveness by developing port proximate discrete manufacturing clusters.

The key components of the Sagarmala program are as follows:

Port Modernization & New Port Development	**Port Connectivity Enhancement**	**Port-linked Industrialization**	**Coastal Community Development**	**Coastal Shipping & Inland Waterways Transport**
De-bottlenecking and capacity expansion of existing ports and development of new greenfield ports	Enhancing the connectivity of the ports to the hinterland, optimizing cost and time of cargo movement through multi-modal logistics solutions including domestic waterways (inland water transport and coastal shipping)	Developing port-proximate industrial clusters and Coastal Economic Zones to reduce logistics cost and time of EXIM and domestic cargo	Promoting sustainable development of coastal communities through skill development & livelihood generation activities, fisheries development, coastal tourism etc.	Impetus to move cargo through the sustainable and environment-friendly coastal and inland waterways mode

Since its inception in 2015, 601 projects with a total project cost of approximately ₹8.8 trillion have been identified to be implemented as part of the Sagarmala Program. These projects mainly aim to modernize ports, enhance ports connectivity, bring about industrialization and develop the coastal community.

Summary of Projects under Sagarmala

	Until FISCAL YEAR 2018		FISCAL YEAR 2019		FISCAL YEAR 2020		FISCAL YEARS 2021-2025		FISCAL YEARS 2026-2035		Total	
Project Theme	**No.**	**Cost (₹bn)**	**No.**	**Cost (₹bn)**	**No.**	**Cost (₹bn)**	**No.**	**Cost (₹bn)**	**No.**	**Cost (₹bn)**	**No.**	**Cost (₹bn)**
Port Modernization . .	107	380	100	337	15	86	36	540	8	107	266	1,451
Port Connectivity . . .	82	631	69	482	46	358	13	1,035	3	4	213	2,509
Port Led Industrialization . . .	18	1,369	1	111	5	43	33	3,226	0	0	57	4,749
Coastal Community Development	28	22	34	43	6	7	0	0	0	0	68	72
Total	**235**	**2,402**	**204**	**973**	**72**	**495**	**82**	**4,801**	**11**	**111**	**604**	**8,781**

Source: Ministry of Shipping, GOI

Dedicated Freight Corridor

The Ministry of Railways of the GOI is implementing a Dedicated Freight Corridor ("**DFC**") project under which it proposes to undertake planning and development, mobilization of financial resources and construction, maintenance and operation of the DFCs.

The key mission of the Dedicated Freight Corridor Corporation of India Ltd ("**DFCCIL**") includes:

- Building a corridor with appropriate technology that enables Indian railways to regain their market share of freight transport by creating additional capacity and guaranteeing efficient, reliable, safe and cheaper options for mobility to their customers;
- Setting up multimodal logistic parks along the DFC to provide complete transport solution to customers; and
- Supporting the Government's initiatives toward ecological sustainability by encouraging users to adopt railways as the most environmentally friendly mode for their transport requirements.

The project involves the construction of six freight corridors traversing the entire country. The purpose of the project is to provide a safe and efficient freight transportation system. This is expected to reduce congestion at various terminals and junctions while allowing for efficient and fast movement of freight along the corridor.

The project currently consists of two corridors, the Eastern Corridor and the Western Corridor. The two routes cover a total length of 3,360 kilometers with the Eastern DFC stretching from Ludhiana in Punjab to Dankuni in West Bengal and the Western DFC from Jawaharlal Nehru Port in Mumbai to Dadri in Uttar Pradesh. The two corridors are expected to be completed by December 2021 and had an overall physical progress of 68.5% as of November 2019.

On the back of the expected rise of demand for rail from the DFCs, the Special Freight Train Operator Scheme was launched in the year 2010 and substituted in 2018. According to the Ministry of Railways, the policy was launched with the view to increase rail share in transportation of non-conventional traffic like molasses, fly ash, edible oil, caustic soda, chemical, petrochemicals, alumina & bulk cement. The

policy provides an opportunity to logistic service providers or manufacturers to invest in wagons and use advantages of rail transport to tie up with end users and market the train services owned by them for rail transport.

Major Port Authorities Bill, 2020

The Major Port Authorities Bill, 2020 was introduced in the Lok Sabha by the Minister of State for Shipping i.e. Mr. Mansukh Mandaviya, on March 12, 2020. The aim of the Bill is to provide for regulation, operation and planning of major ports in India and provide greater autonomy to these ports. It seeks to replace the Major Port Trusts Act, 1963.

The key features of the Bill include:

- **Application:** The Bill will apply to the major ports of Chennai, Cochin, Jawaharlal Nehru Port, Kandla, Kolkata, Mumbai, New Mangalore, Mormugao, Paradip, V.O. Chidambaranar, and Vishakhapatnam.

- **Major Port Authorities Board:** Under the 1963 Act, all major ports are managed by the respective Board of Port Trusts that have members appointed by the central government. The Major Port Authorities Bill, 2020 provides for the creation of a Board of Major Port Authority for each major port which will replace the existing Port Trusts.

- **Composition of Board:** The Board will comprise of a Chairperson and a deputy Chairperson, both of whom will be appointed by the central government on the recommendation of a selection committee. Further, it will include one member each from (i) the respective state governments, (ii) the Railways Ministry, (iii) the Defence Ministry, and (iv) the Customs Department. The Board will also include two to four independent members, and two members representing the interests of the employees of the Major Port Authority.

- **Powers of the Board:** The Bill allows the Board to use the property, assets and funds as deemed fit for the development of the major port. The Board can also make rules on: (i) declaring availability of port assets for port related activities and services, (ii) developing infrastructure facilities such as setting up new ports, jetties, and (iii) providing exemption or remission from payment of any charges on any goods or vessels.

- **Fixing of rates:** Currently, the Tariff Authority for Major Ports, established under the 1963 Act, fixes the scale of rates for assets and services available at ports. Under the Major Port Authorities Bill, 2020, the Board or committees appointed by the Board will determine these rates. They may determine rates for: (i) services that will be performed at ports, (ii) the access to and usage of the port assets, and (iii) different classes of goods and vessels, among others. Such fixing of rates will not be with retrospective effect and must be consistent with the provisions of the Competition Act, 2002, or any other laws in force, subject to certain conditions.

- **Financial powers of the Board:** Under the 1963 Act, the Board has to seek prior sanction of the central government to raise any loan. Under the Major Port Authorities Bill, 2020, to meet its capital and working expenditure requirements, the Board may raise loans from any: (i) scheduled bank or financial institution within India, or (ii) any financial institution outside India that is compliant with all the laws. However, for loans above 50% of its capital reserves, the Board will require prior sanction of the central government.

- **Corporate Social Responsibility:** The Major Port Authorities Bill, 2020 provides that the Board may use its funds for providing social benefits. This includes development of infrastructure in areas such as education, health, housing, and skill development. These benefits could be provided for the Board's employees, customers, business partners, local communities, environment and the society at large.

- **Public Private Partnership (PPP) projects:** The Bill defines PPP projects as projects taken up through a concession contract by the Board. For such projects, the Board may fix the tariff for the initial bidding purposes. The appointed concessionaire will be free to fix the actual tariffs based on market conditions, and other conditions as may be notified. The revenue share in such projects will be on the basis of the specific concession agreement.

- **Adjudicatory Board:** The Bill provides for the constitution of an Adjudicatory Board by the central government. This Board will replace the existing Tariff Authority for Major Ports constituted under the 1963 Act. It will consist of a Presiding Officer and two members, as appointed by the central government. Functions of the Adjudicatory Board will include: (i) certain functions being carried out by the Tariff Authority for Major Ports, (ii) adjudicating on disputes or claims related to rights and obligations of major ports and PPP concessionaires, and (iii) reviewing stressed PPP projects.

- **Penalties:** Under the 1963 Act, there are various penalties for contravening provisions of the Act. For example, (i) the penalty for setting up any structures on the harbours without permission may extend up to ₹10,000, and (ii) the penalty for evading rates may extend up to 10 times the rates. Under the Bill, any person contravening any provision of the Bill or any rules or regulations will be punished with a fine of up to one lakh rupees.

Coastal shipping — Relaxation in Cabotage Law

In May 2018, MoS allowed under section 407 of the Merchant Shipping Act 1958 for coastal movement of EXIM transshipment containers and empty containers. It has allowed the foreign-flagged container ships to carry EXIM-laden container for transshipment and empty containers for repositioning on local routes without a license or condition. The law has also allowed to foreign flagged vessels to carry fertilizers and agro commodities along the Indian coast (source: *Ministry of Shipping, India Infrastructure Report of 2020*).

There has been a significant increase in container transshipment volumes in India by shipping lines with foreign flags. During May 2018 to May 2019, 807,932 TEUs transshipped through Indian Ports. This has helped many Indian ports to capture value from such movements. For example, Mundra port outperformed all the ports of the West coast in terms of transshipment volumes. The port handled 40,000 TEUs of transshipment traffic during May 2019, of which 32,500 TEUs were laden and the remaining 7,500 TEUs were empties. Similarly, Krishnapatnam Port, also registered significant transshipment number (26,000 TEUs during May 2019) (source: *India Infrastructure Report of 2020*).

Ease of doing business

Direct Port Delivery ("**DPD**"), Direct Port Entry ("**DPE**") has introduced to make import and export more efficient and cost effective. Along with this, some changes have made in custom law to facilitate trade in more efficient way. India improved its ranking under the Trading across Border ("**TAB**") parameter of Ease of Doing business ("**EoDB**") from 80 to 68. This impressive record has been facilitated due to various measures taken by major ports in India for e.g. DPD, DPE, Introduction of RFID, Installation of scanners/container scanners, Simplification of procedures etc. (*Source: Ministry of Shipping, India Infrastructure Report of 2020*).

Ship recycling bill

In December 2019, the Recycling of Ships Bill, 2019, became an act after receiving the consent of the President of India. This outlays huge business opportunities to Indian Ship recyclers (green ship recycling yards) as per the Hong Kong Ship Recycling Convention.

Gujarat Revised Port policy

The Gujarat Government has announced a new port policy to provide benefits to the existing and future captive jetties players and other players: according to the new policy, the 32 operational captive jetties are now permitted to handle third party cargo. They can increase the number of cargo handling facilities and expand and modernize their jetties as well. Captive jetty holders will be able to handle cargo of other companies by paying double wharfage charges (source: Gujarat Maritime Board).

Jal Marg Vikas Project (JMVP) on NW-1

The GOI is implementing the Jal Marg Vikas Project ("**JMVP**") at an estimated cost of ₹5,369.18 Crore for capacity augmentation of navigation on National Waterway -1 ("**NW-1**") on the Haldia — Varanasi stretch of Ganga-Bhagirathi-Hooghly River System with the technical and financial assistance of the World Bank. The project is scheduled to be completed in Fiscal Year 2023. Projects worth approximately 18,000 million Rupees have commenced on ground in a time period of three years (source: *India Infrastructure Report of 2020, Inland waterways authority of India*).

Model Concession Agreement for PPP Projects

According to the Ministry of Shipping of the GOI, a Model Concession Agreement ("**MCA**") has been finalized to bring transparency and uniformity to contractual agreements that Major Ports would enter into with selected bidders for projects under the Build, Operate and Transfer ("**BOT**") model. In January 2018, a revised MCA was approved by the GOI to make Major Ports in India more investor friendly and make the investment climate in the port sector more attractive Some of the salient features of the revised MCA provide for relaxed exits, expansion, lower charges for land use based on each container, a cheaper dispute resolution mechanism and an online complaint portal for users.

Other GOI Initiatives

The Ministry of Shipping of the GOI published the Maritime Agenda 2010-2020, which identifies key areas of attention for the GOI. The Maritime Agenda 2010-2020 focuses on implementing an agenda, with specific and general aims, buttressed by a philosophy of increasing private sector participation.

The agenda includes a number of specific aims, including the development of two new Major Ports on each of the west and east coasts of India, developing two "hub" ports, on each of the west and east coasts of India, full mechanization of cargo handling and movement, ensuring that all Major Ports and "hub" ports have drafts of no less than 14 meters and 17 meters, respectively, and identifying and implementing projects for rail, road and inland waterway connectivity to ports. "Hub" ports are intended to be key focus ports on the coasts with deep drafts, less need for dredging, strategic locations and the potential to reduce total transport costs through a "hub and spoke" model. The agenda also includes broader policy measures, including the development and implementation of new policies for land for Major Ports, captive berths, dredging, shifting transshipment of Indian containers from foreign ports to Indian ports, fostering cooperation and competition among Indian ports and the creation of a sovereign entity, now named Indian Ports Limited, to invest in port infrastructure internationally.

According to the Ministry of Shipping, the GOI has also allowed foreign direct investment of up to 100% under the automatic route for projects related to the construction and maintenance of ports and harbors. The GOI intends for the private sector to invest in these projects primarily on a private partnership, build-operate-transfer or build-own-operate-transfer basis. To facilitate investment and transparency, the Department of Shipping has released a model documentation, including requests for proposals, requests for quotations and concession agreements.

SEZs are being developed in close proximity to several ports, thereby providing strategic advantage to industries within these zones.

Other State Government Initiatives

The government of Gujarat has proactively developed Non-Major Ports on its coastline, beginning with implementing a comprehensive Integrated Port Policy in 1995, which focused on pursuing vertically integrated development of both its ports and industrial base. The GMB, which is the government of Gujarat's regulatory body responsible for maritime oversight, has selected 10 sites for greenfield development of new ports, six of which are to be developed through private investment, and four through joint development. The government of Maharashtra has also implemented several policy initiatives for port development, while implementing policy guidelines for captive terminals.

Changes to Tariff Regime

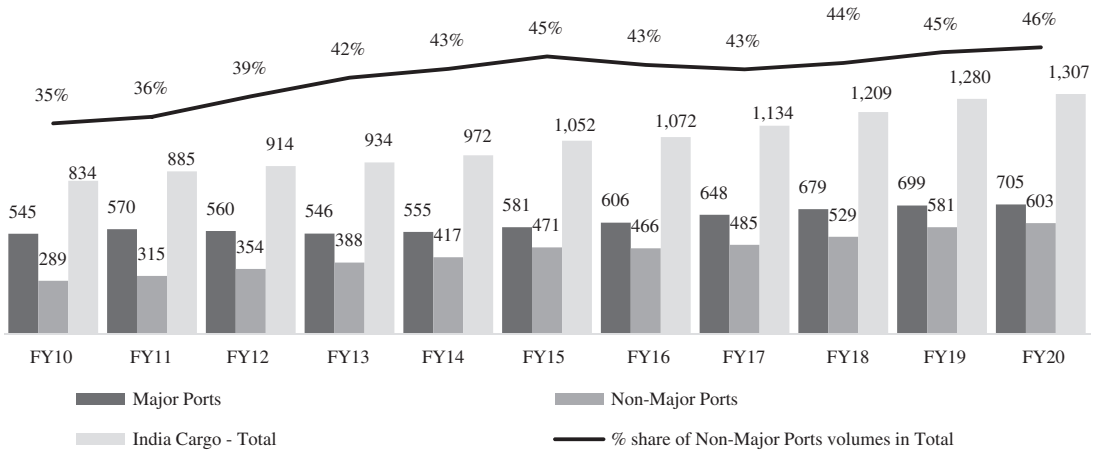
Since 2005, tariffs at Major Ports have been set by the TAMP. The Ministry of Shipping of the GOI proposed a new tariff regime, pursuant to which the Major Ports Regulatory Authority and the respective state port regulatory authorities would regulate tariffs in Major Ports and Non-Major Ports, respectively. The Ministry of Shipping of the GOI proposed the deregulation of tariffs, instead allowing port operators to implement a fixed market-linked tariff to attract private sector investment. Under this regime, TAMP will set a reference tariff based on minimum efficiency standards for ports, such as turnaround time, average output per ship berth day and average idle time. The reference tariff will be indexed to inflation, and TAMP will implement a new reference tariff every five years. Reference tariffs, and pricing, will thus be determined by the availability of port facilities (e.g., minimum waiting time), quality of services rendered (minimum turnaround time, port security and quality of evacuation infrastructure) and competition.

Cargo Traffic at Indian Ports

Overall Cargo Traffic

According to data from the Ministry of Shipping of the GOI, Indian ports handled 1,307 mmt cargo in Fiscal Year 2020 reflecting a CAGR of 4.4% compared to 885 mmt of cargo in 2011. Cargo traffic tonnage handled at Major Ports increased to 704.7 mmt in Fiscal Year 2020 from 570 mmt in Fiscal Year 2011 by a CAGR of 2.4%. During the same period, Non-Major Ports increased by a CAGR of 7.5% handling 602.5 mmt of cargo in Fiscal Year 2020 compared to 315 mmt in Fiscal Year 2011. Non-Major Ports are gaining market share and a substantial portion of traffic has shifted from Major Ports to Non-Major Ports. The contribution of Non-Major ports' traffic to total traffic rose over 46% in Fiscal Year 2020.

India — Cargo Handled at All Ports (mmt)

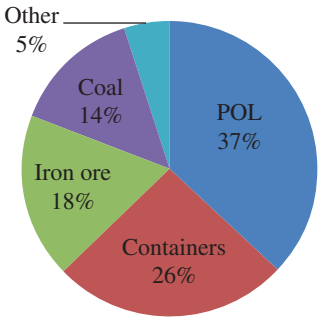


Source: Ministry of Shipping, IPA, India Infrastructure Report of 2020, Sagarmala National Perspective Plan

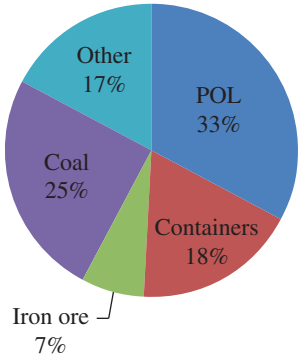
The commodity composition of the total traffic at Indian ports has shown marginal changes over the years with POL and its products continuing to be the single largest commodity handled by the ports (33%) followed by coal (25%) in Fiscal Year 2020. The contribution from iron ore has fallen significantly from 17.9% in Fiscal Year 2010 to 7% in Fiscal Year 2020, with the contribution largely being replaced by an increased contribution from coal and other cargo.

Commodity-wise Traffic Handled by All Ports (mmt)

FY 10: Commodity Basket (in %)



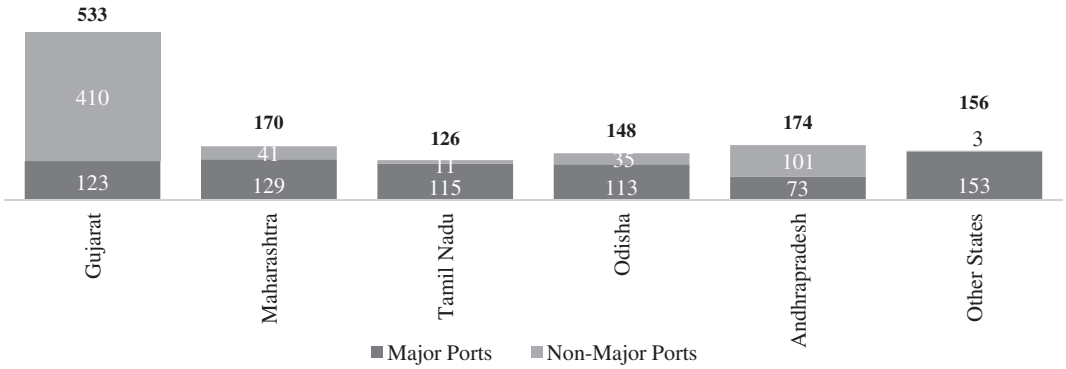
FY 20: Commodity Basket (in %)



Source: Indian Ports Association and Ministry of Shipping.

In terms of states, Gujarat has emerged as the premier maritime state in terms of port traffic and accounted for 41% of the total cargo handled at Indian ports. It is also worth noting that approximately 68% of the cargo handled by Non-Major Ports pertains to the State of Gujarat. In terms of total port traffic, Gujarat is followed by Maharashtra, Andhra Pradesh, Odisha and Tamil Nadu with their respective shares of 13%, 13%, 11% and 10% respectively in India's total seaborne traffic.

State-wise Cargo Traffic at Indian Ports in Fiscal Year 2020 (mmt)



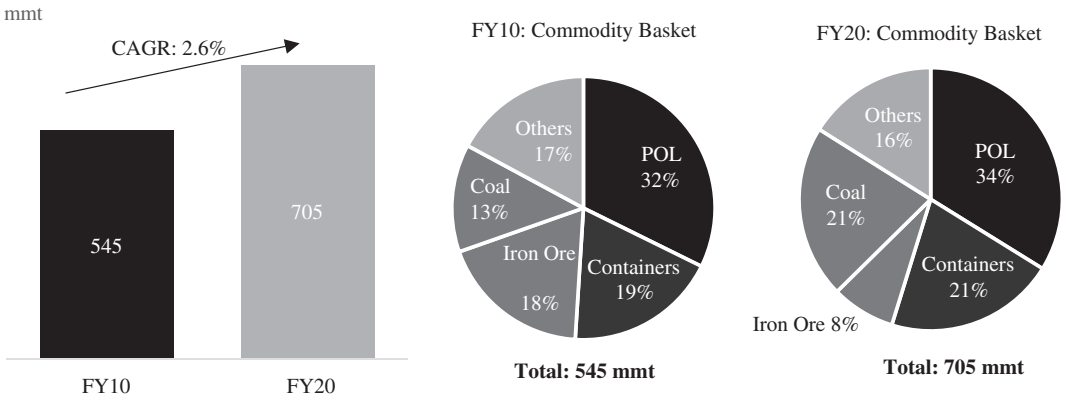
Source: Indian Ports Association, Ministry of Shipping, India

Cargo Traffic at Major Ports

Major Ports handled approximately 54% of the total maritime freight traffic of India during Fiscal Year 2020. Traffic handled at the Major Ports during the last decade has been increasing over the years, except in Fiscal Year 2013, in tandem with the economic activity and volume of trade turnover.

Cargo traffic volumes handled by Major Ports registered a CAGR of 2.6% over Fiscal Year 2010 to Fiscal Year 2020, driven by strong growth in coal and containers. While POL, coal and container volumes witnessed growth, fertilizer and iron ore volumes declined.

Commodity-wise Traffic Handled at Major Ports



Source: Ministry of Shipping, GOI
Notes: 'Others' includes Fertilizers, Raw Materials and Food Grain

Amongst the Major Ports, Deendayal Port handled the maximum Cargo of 122.5 million tonnes with a share of 17% in total cargo handled at major ports followed by Paradip Port (16%), JNPT (10%), Vishakhapatnam Port (10%), Mumbai Port (9%), Chennai Port (7%), Haldia Dock Complex + Kolkata (9%), NMPT (6%), Chidambaranar Port (5%), Kamarajar Port (5%), Cochin Port (5%), and Mormugao Port (2%) during Fiscal Year 2020.

Major Ports volumes growth, from Fiscal Year 2015 to Fiscal Year 2020 (Volumes in MMT)

Ports Name	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	CAGR%
Kolkata + Haldia	46.3	50.2	51.0	57.9	63.7	64.0	6.7
Paradip	71.0	76.4	89.0	102.0	109.3	112.7	9.7
Vizag	58.0	57.0	61.0	63.5	65.3	72.7	4.6
Ennore	30.3	32.2	30.0	30.5	34.5	31.7	1.0
Chennai	52.5	50.1	50.2	51.9	53.0	46.8	-2.3
VOC/Tuticorin	32.4	36.8	38.5	36.6	34.3	36.1	2.2
Cochin	21.6	22.1	25.0	29.1	32.0	34.0	9.5
New Manglore	36.6	35.6	40.0	42.1	42.5	39.2	1.4
Mormugao	14.7	20.8	33.2	26.9	17.7	16.0	1.7
Mumbai	61.7	61.1	63.1	62.8	60.6	60.7	-0.3
JNPT	63.8	64.0	62.2	66.0	70.7	68.5	1.4
Kandla/Deendayal Port	92.5	100.1	105.5	110.1	115.4	122.5	5.8
Total	**581.3**	**606.4**	**648.5**	**679.4**	**699.1**	**704.8**	**3.9**

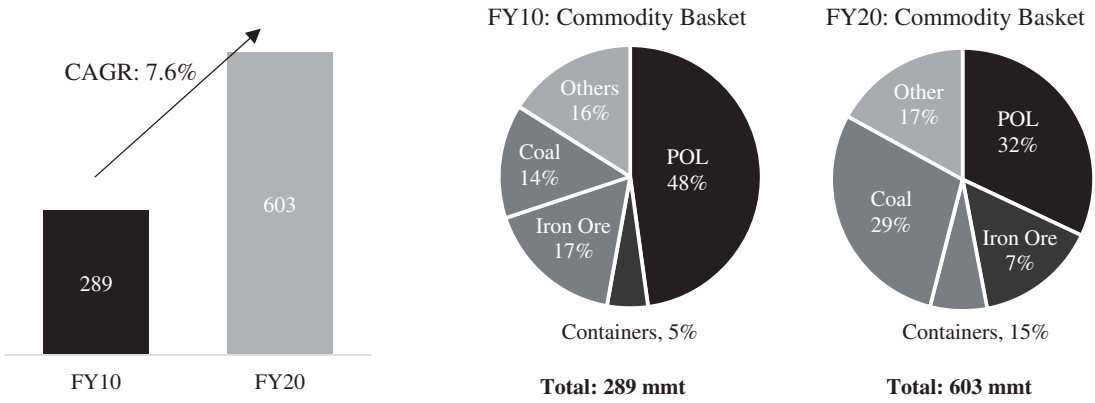
Source: Indian Ports Association, Ministry of Shipping

Cargo Traffic at Non-Major Ports

Non-Major Ports in India handled 602 mmt of traffic during Fiscal Year 2020 as compared to 581 mmt of cargo handled in Fiscal Year 2019, representing a YoY growth in traffic of around 4% as compared. Non-Major Ports handled approximately 46% of the total maritime freight traffic of the country during Fiscal Year 2020. POL (32%) was the single largest commodity handled at non-Major Ports in Fiscal Year 2019, followed by coal (29%).

In the last 10 years, the Non-Major Port commodity basket has become more diversified, with a major shift observed from POL to other commodities. Coal has become a growth commodity followed by container cargo. Key trends in commodity basket diversification are given below.

Commodity-wise Traffic Handled at Non-Major Ports



Source: Ministry of Shipping, GOI

Non-major Ports state wise cargo handing details

Gujarat accounted for approximately 68% of the total traffic handled by Non-Major Ports followed by Andhra Pradesh (17%) and Maharashtra (7%). These three maritime states together accounted for close to 92% of the total estimated traffic by the Non-Major Ports in Fiscal Year 2020. In recent years, Odisha state has outperformed in percentage growth of annual ports cargo handling, with respect to YoY & CAGR growth rate.

Non-Major Ports State-wise Volume Split: Key Trends

State	FY 14	FY 18	FY 19	FY 20	7-Year CAGR (in%)	YOY% change (FY19-20)	FY20% share
Gujarat	310	371	399	410	4.8	3	68
Andhra Pradesh	59	86	103	101	9.4	-2	17
Maharashtra	25	38	44	41	8.7	-6	7
Odisha	14	23	22	35	16.7	60	6
Others	9	12	13	14	8.1	10	2
Total	**417**	**530**	**581**	**601**	**6.3**	**4**	**100**

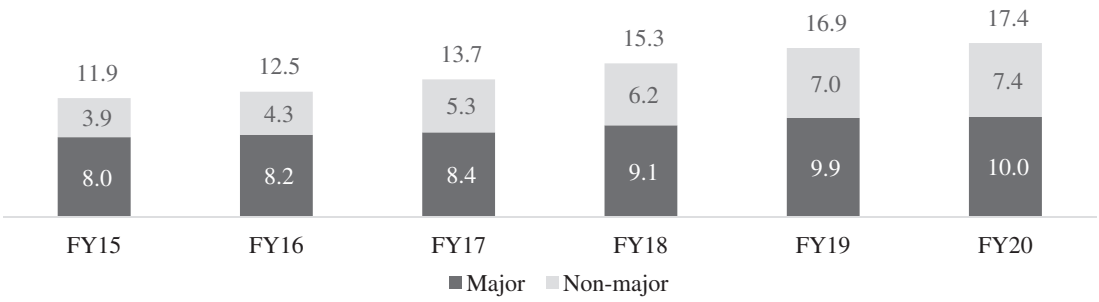
Source: Ministry of Shipping, India Infrastructure Report of 2020.

Container Traffic at Indian Ports

Overall Container Traffic

According to data from the Ministry of Shipping of the GOI, Indian ports handled an estimated 10.0 mn TEUs of container traffic in Fiscal Year 2020. This represented a growth of 6.5% during the period Fiscal Year 2015 to 2020.

Container Traffic at Indian Ports: FY15-20 (million TEUs)



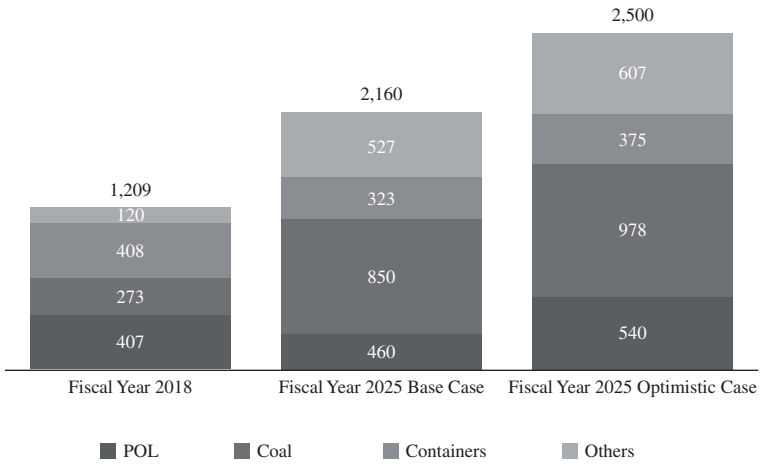
Source: Ministry of Shipping Note: Container Traffic for Non-Major Ports based on Government and Industry estimates

The Non-Major ports have seen a growth of 11% during Fiscal Year 2015 to 2020 while Major ports have seen a growth of only 3.8% during the same period. This growth has been driven primarily by the rapid expansion of private terminal operators in the non-major ports which has helped move the market share of Major Ports to Non Major Ports.

Growth Outlook

The Ministry of Shipping of the GOI is implementing the Sagarmala Initiative, for which a National Perspective Plan for Sagarmala was published in April 2016. In accordance with this plan, the cargo volume at Indian ports is envisaged to grow to 2,160 mmt in Fiscal Year 2025 from 1,209 mmt in Fiscal Year 2018, implying a CAGR of 8.6%. Under the GOI's best case scenario, this cargo volume may grow to approximately 2,500 mmt by Fiscal Year 2025.

Commodity-wise Forecast Volumes (mmt)



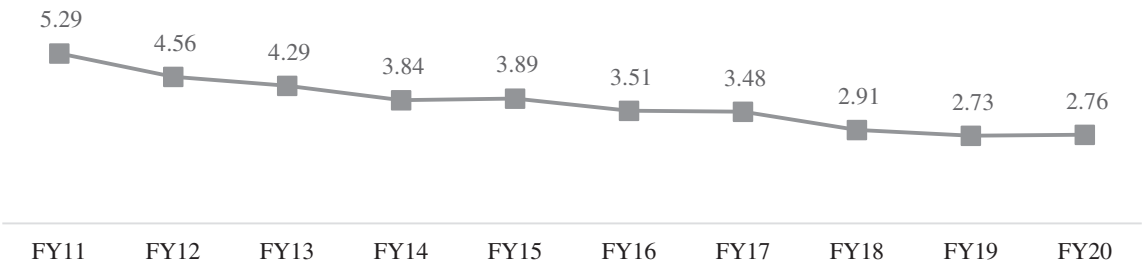
Source: Sagarmala, Ministry of Shipping

Operational Performance of Indian Ports

Turnaround Time

In recent years, the port infrastructure within India has grown significantly due to the influx of additional investments. Capacity additions through established private port operators such as CMA CGM (Mundra), PSA (J.N.P.T) and Terminal Investment Limited (Mundra) have paved the way for bigger ports with more efficient services. As such, average turnaround time at Major Ports has declined consistently from 5.29 days in Fiscal Year 2011 to 2.76 days in Fiscal Year 2020. Average turnaround time is influenced by factors such as type of cargo, parcel size and entrance channel.

Major Ports: Average Turn Round Time



Turn-Round Time — Total time spent by a ship since its entry till its departure

Source: Update on Indian Port Sector, Ministry of Shipping, GOI

Capacity and Utilization

Over the years through various Government initiatives, cargo handling capacity of Major Ports has steadily increased to cater to the growing volume of internal and external trade. The capacity of the ports which was 617 mmt at the end of Fiscal Year 2010 increased to 1,535 mmt at the end of Fiscal Year 2020 (source: Update on Indian Port Sector, Ministry of Shipping, GOI).

During the period from Fiscal Year 2014 to Fiscal Year 2019, 160 port infrastructure projects with a capacity of 442.08 TPA and total investment of ₹39,187 crore (U.S.$5.2 billion) have been awarded to Major Ports.

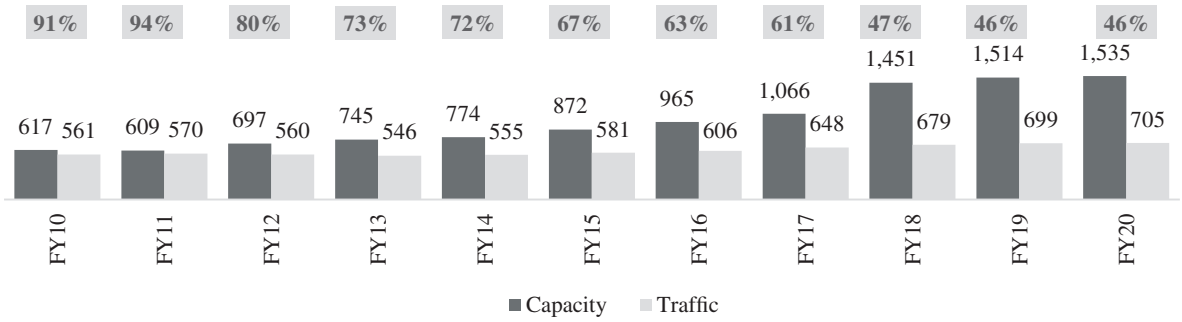
However, despite the capacity addition, Major Ports still suffer from inadequate evacuation infrastructure and are unable to make full use of the additional capacity. For example, railways lacked the necessary equipment and structure to ensure a steady flow of container traffic, concentrating instead primarily on bulk cargo. Inadequate road linkage also impeded the flow of cargo to Major Ports, resulting in instances of new ports with modern facilities being under-utilized due to connectivity bottlenecks.

In Fiscal Year 2020, Major Ports added about 21 mmt of additional capacity, however, the actual output could only increase by 6 mmt, thereby leading to a marginal drop in utilization rates from 46.2% in Fiscal Year 2019 to 45.9% in Fiscal Year 2020.

In the last 10 years, Major Ports capacity utilization has substantially gone down. In Fiscal Year 2010, ports capacity utilization of Indian major ports was more than 90%, which has come down to less than 50% in Fiscal Year 2020. This has resulted into more inter-port competition between the Indian ports.

In last 10 years, Major Ports has incrementally added almost 900 mmt port capacity, however in same timeframe port traffic has witnessed less than 150 mmt incremental cargo growth.

Major Ports: Capacity (mmt) and Utilization Rate (%)



Source: Update on Indian Port Sector, Ministry of Shipping, GOI

Key Industry Growth Drivers

Improved Intermodal Logistics and Infrastructure

A port's success is increasingly dependent upon the quality of infrastructure in and around the port, including road and rail connections, and on how well a port is able to handle the logistics of moving cargo from the port onto shore.

Last mile connectivity to the ports is one of the major constraints in smooth movement of cargo to/from the hinterland in India. According to the Ministry of Shipping of the GOI, around 87% of Indian freight uses either road or rail for transportation of goods. A significant share of this cargo experiences "idle time" during its transit to the ports due to capacity constraints on highways and railway lines connecting ports to production and consumption centers. According to Sagarmala (Ministry of Shipping), the main challenges to port connectivity in India are underleveraging of domestic waterways, severely constrained rail infrastructure along key routes, sub-optimal modal mix for container freight, poor connectivity to west coast ports through the Western Ghats, lack of coordinated end to end planning for bulk logistics and constrained last-mile connectivity between ports and key industrial hinterlands.

In 2018, the Ministry of Railways introduced the General-Purpose Wagon Investment Scheme to meet the long-term demand from railway freight wagon users for better and more timely availability of General Purpose Wagons ("**GPW**"). The scheme opens private investment in GPW and allows investors to procure wagons that can move multiple commodities, including coal, without the need for any specific approval from the Ministry of Railways for carriage of the commodity in that wagon.

Furthermore, the development of intermodal routes has increased inter-port competition for ship calls and cargo. It has also reduced the relative importance of any one port in the logistics chain. As private transport companies integrate their services across modes and as shipping lines become more concerned with the landside delivery of cargo, a port's customer base has expanded from individual shippers and consignees to include forwarders and transport companies. The modal options available at ports have become a major selling proposition in attracting business.

External Trade

Indian ports handle approximately 90% of India's merchandise trade (by volume) thus contributing significantly to India's external trade. India's total external trade grew at a CAGR of 11.5% from Fiscal Year 2010 to Fiscal Year 2019 in local currency terms boosted by growth in both exports and imports. According to the Ministry of Commerce and Industry of the GOI, Commerce and Industry of the GOI, India's total external trade fell by 3.2 trillion Rupees in Fiscal Year 2020 with total exports of 22 trillion Rupees and imports of 34 trillion Rupees.

In India due to COVID-19 exports to US, Europe & Middle East have been impacted. However, major imports from Japan, Korea & China have not slowed down However, Export to these countries once the pandemic subsides are expected to pick up again. Major import products lie white goods are also expected to pick up once economy restarts.

India EXIM Trade (FY10 to FY20)



Source: Ministry of Commerce & Industry, GOI

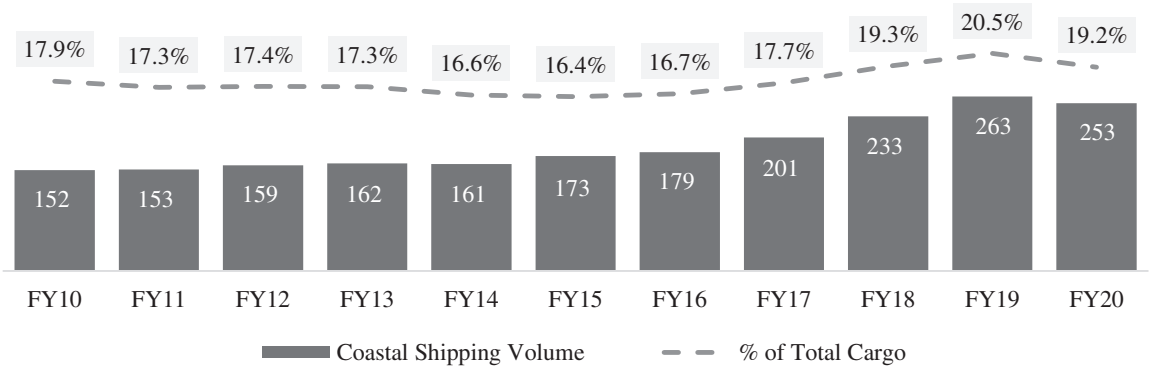
Coastal Shipping

Coastal shipping is the movement of cargo and passengers by sea (for domestic transportation) along the coast within India without cross regional boundaries. India has a coastline spanning over 7,517 km, with 13 Major and over 205 Non-Major Ports across the coastline. Despite having an extensive network of inland waterways in the form of rivers, canals, backwaters and creeks freight transportation by waterways is highly under-utilized.

According to the Ministry of Shipping of the GOI, although water-borne transport is much safer, cheaper and cleaner compared to other modes of transportation, it accounts for less than 6% of India's modal split, which is significantly less than that in developed economies and some of the developing economies such as China (47.0%), the United States (12.4%) and Japan (34.0%).

According to the Ministry of Shipping of the GOI estimates, approximately 19% of volumes handled by Indian ports in Fiscal Year 2018 are coastal volumes. The Ministry of Shipping of the GOI estimates that coastal shipping traffic of about 180-200 mmtpa can be achieved from current and planned capacities across coal, cement, iron and steel, food grains, fertilizers, and POL by 2025. Additionally, about 135 mmtpa of cargo is expected to be moved via inland waterways by 2025.

Coastal Shipping Volume (mmt)



Source: Update on Indian Port Sector (31.03.2020), Ministry of Shipping, GOI

The GOI has also taken various initiatives for promotion of coastal shipping such as Sagarmala, dedicated coastal berths in Major Ports, financial assistance to State Government for coastal berth, concession in cargo related and vessel related charges to the extent of 40%, etc.

To further encourage coastal shipping relaxation in cabotage laws have been made. Cabotage refers to transport of goods or passengers between two places in the same country by a transport operator from another country. Post the relaxation of cabotage laws, foreign carriers can carry containers between Indian ports without any specific license. Also, Indian ports can now attract cargo that originates from and is destined for a foreign country.

According to the Update on Indian Port Sector (31.03.2020), amongst the Non-Major Ports, GMB handled the maximum Coastal Cargo of 46.9 mmt with a share of 49.9% followed by MMB (21.6%), Andhra Pradesh Maritime Board (APMB) (19.2%), Directorate of Ports, Odisha (4.2%), Puducherry (2.5%), A&N Islands (1.9%), Directorate of Ports, Karnataka (0.4%), Kerala Maritime Board (KMB) and TNMB (0.2%) each during Fiscal Year 2020.

Transshipment

In Fiscal Year 2018, transshipments accounted for 12% of the 15.4 million TEUs handled in India. The share of transshipment volumes handled at west coast ports was 8% of total western port container volumes, while that at east coast ports was higher at 23% of total eastern port container volumes. In recent years, private ports have built up capabilities to capture a share of India's EXIM volumes that are transshipped from foreign ports. Improving infrastructure, competitive pricing and relaxation in cabotage rules are some key factors that have been vital in positioning private players to capture transshipment volumes.

In Fiscal Year 2018, 3.1 million TEUs of India's EXIM volumes were transshipped from foreign ports. Of this, Colombo, Singapore, Malaysia and Jabel Ali accounted for 42%, 15%, 8% and 3% of the volumes respectively. On the back of the relaxation of cabotage laws in May 2018 and the current scenario of idle capacity at Indian ports, it is expected that some of these volumes will flow back to transshipment hubs in India.

Containerization

Major global ports, including those in India, have had to adapt to a dramatic expansion in the trade of containerized cargo. In India, container cargo traffic has increased significantly from its inception in the 1970s. This increase has been driven primarily by engineering goods imports, textile exports and increased containerization of goods, and has required a commensurate increase in the handling capacity at Indian ports and improvement of in-port and evacuation logistical operations.

Increasing containerization has also presaged the emergence of larger ships, which have become a competitive differentiator in the shipping and port industry and necessitated the development of ports that can accommodate larger ships.

Despite the increase, according to 2018 data from the World Bank, India still ranks 11th in container port traffic behind other smaller Asian and developing countries such as Singapore, Japan, and Malaysia. Strong container volume growth potential exists in India, driven by the potential increase in share of manufacturing, the ongoing surge in transshipment volumes and incremental containerization opportunities.

Increasing Foreign Direct Investment ("FDI")/Private Sector Participation

The ports sector in India has received a cumulative FDI of U.S.$1.64 billion between April 2000 and December 2019. Strong growth potential, a favorable investment climate and incentives provided by the Government have encouraged domestic and foreign private players to enter the Indian ports sector.

Such initiatives include allowing FDI up to 100% under the automatic route for projects related to the construction and maintenance of ports and harbors, as well as a 10-year tax holiday to enterprises engaged in the business of developing, maintaining and operating ports, inland waterways and inland ports.

Private ports enjoy price flexibility, as the Government allows Non-Major Ports to determine their own tariffs in consultation with the state maritime boards.

The Government has laid down guidelines for private sector participation in the port sector. The following areas have been identified:

- Leasing out assets of the port;
- Construction and operation of container terminals, multipurpose cargo berths and specialized cargo berths, warehouse, storage facilities, tank farms, container freight stations, setting up captive power plants etc.;
- Leasing of equipment for cargo handling and leasing of floating crafts from private sector;
- Pilotage; and
- Captive facilities for port-based activities.

OUR BUSINESS

We are India's largest private developer and operator of ports and related infrastructure, according to the India Infrastructure Report of 2020. We provide fully integrated marine, stevedoring, handling, storage, warehousing, transportation and other value-added logistics services. We have invested in port-based SEZs and logistics/ICDs in India. We have expanded our business from operating a single port at Mundra on the west coast of India to being a pan-Indian integrated logistics service provider operating 10 ports, 25 terminals and five logistics parks/ICDs. We are further expanding our capacities at a few of our existing ports and are also in the process of developing container terminals in the south of India. We also intend to continue exploring business opportunities, to cater to our growing business demand in India and outside India.

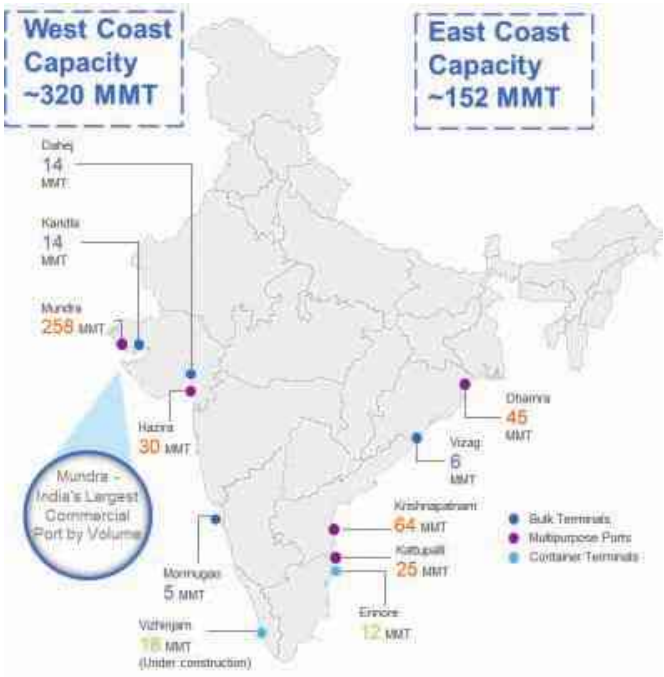
With a total installed capacity of 478.6 mmtpa as of the date of this offering circular, capable of handling a diverse cargo base including dry and liquid bulk, containers, crude and automobiles, LPG and LNG, we handled 207.7 mmtpa, 223.0 mmtpa, 109.5 mmtpa and 97.7 mmtpa of cargo in Fiscal Years 2019 and 2020 and in the six months ended September 30, 2019 and 2020, respectively. For the nine months ended December 31, 2020, we handled cargo of 174.1 mmtpa (higher by 5.4% YoY).

Our total income for Fiscal Years 2018, 2019 and 2020, and for the six months ended September 30, 2019 and 2020 was ₹123,338.9 million, ₹122,877.8 million, ₹137,344.2 million, ₹65,438.2 million and ₹61,726.2 million, respectively. Our profit for the year attributable to equity holders of the parent for Fiscal Years 2018, 2019 and 2020, and for the six months ended September 30, 2019 and 2020 was ₹36,736.2 million, ₹39,902.2 million, ₹37,631.3 million, ₹20,765.7 million and ₹21,450.2 million, respectively. Income from port operations (including port infrastructure services, other operating income including construction, income related to infrastructure development support services and export incentives) accounted for 67.9%, 86.6%, 90.4%, 91.2% and 90.5% of revenue from operations in Fiscal Years 2018, 2019 and 2020, and for the six months ended September 30, 2019 and 2020, respectively.

We believe that some of our key differentiators include the following:

- number one port in India, in terms of cargo handled amongst all commercial ports;
- number one private container handling port of India;
- number one port for coal handling capacity in India;
- operating parameters benchmarked with global peers;
- only indigenous port company with pan-Indian facilities;
- capability to handle ultra large container vessels;
- one of the few port companies in India with facilities to handle super capesize vessels;
- only company in India to have developed and operated more than 326 kilometers of private railway line, including India's first and longest private railway line connecting Mundra to Adipur; and
- large fleet of 18 dredgers for dredging and reclamation and 27 tug boats for seamless marine operations.

Our pan-India presence across different geographies covering the Indian coastline is as shown below:



Note: the Vizhinjam Port is under construction; does not reflect the container capacity of approximately 6 mmt of Adani Logistics.

Our key landmark milestones are:

Years 1998 to 2013: Local Port Operator (Development phase)

- Started captive jetty at Mundra.
- Signed the concession agreement for cargo handling at Mundra.
- Developed India's first and longest private railway line connecting Mundra to Adipur.
- Started with 10 MMT Capacity and assets worth U.S.$468 million.
- Agreements signed with Indian Oil Corporation Limited and Hindustan Mittal Energy Limited ("**HMEL**") to set up a single-point mooring unit and crude oil handling facilities at Mundra.
- Sub-concession agreement signed with P&O Ports for operations at Mundra International Container Terminal — Container Terminal 1.
- First non-captive single-point mooring facility in India at Mundra commenced operations.
- SEZ Act enacted, Mundra emerges as the largest coast-based SEZ in India.
- Initial public offering of our Company.
- Inland container depot at Patli in northern India became operational.
- Second container terminal at Mundra commenced operations — developed and operated by us.
- Automobile handling terminal at Mundra commenced operations.
- Entered in container trains, warehousing and freight terminals business.

- Inland container depot at Kishangarh in northern India became operational.
- Coal and bulk terminal at Mundra became operational.
- Dry bulk terminal at Dahej, Gujarat, commenced commercial operations.
- Doubling of the rail connectivity between Mundra and Adipur completed.
- Multi-cargo port terminal at Hazira, Gujarat commenced commercial operations.
- Joint venture, AICTPL takes over operations of Container Terminal 3 at Mundra. The south basin at Mundra commences commercial operations.

Years 2014 to 2019: Pan-India port operator and access to global capital markets

- Mundra became the first commercial port in India to handle more than 100 mmtpa of cargo.
- Signed a concession agreement to develop a container terminal at Ennore Port.
- Acquired the port of Dhamra, Odisha on the east coast of India.
- Terminals at Murmugao, Vizag and Kandla (Tuna Tekra) commenced commercial operations.
- Signed a concession agreement to develop a deep-water container terminal at Vizhinjam Port.
- Ceased to be a subsidiary of AEL as a result of a composite scheme of arrangement for demerger.
- Signed an in-principle agreement to acquire Kattupalli Port.
- Commenced operations at the Kattupalli Port.
- Container terminal 4 at Mundra commenced operations.
- Acquired Abbot Point Bulkcoal Pty. Ltd.
- Acquired TM Harbour Pvt Ltd.
- Issued U.S.$500 million 3.95% Senior Notes due 2022.
- Issued U.S.$500 million 4.0% Senior Notes due 2027.
- Container terminal at Ennore commenced operations.
- Completed the acquisition of the Kattupalli Port.

Year 2019: Diversification to multi-commodity operations

- Completed the acquisition of Innovative B2B Logistics Solutions Private Limited and Adani Agri Logistics Limited which increased our logistics portfolio of grain silos and container rakes.
- Issued U.S.$750.0 million 4.375% Senior Notes due 2029 and U.S.$650 million 3.375% Senior Notes due 2024.

Year 2020

- Concluded the acquisition of KPCL on October 1, 2020.
- Issued U.S.$750.0 million 4.20% Senior Notes due 2027 in July 2020.
- First bond issuance at APSEZ's JV level (U.S.$300 million bond issued by AICTPL in December 2020).
- APSEZ Ranks 14th in The Transportation And Transportation Infrastructure Sector Of Dow Jones Sustainability Emerging Markets Index, 2020.
- APSEZ becomes the first Indian port to sign up for Science Based Targets Initiative ("SBTi").

Impact of the COVID-19 Outbreak

COVID-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventative or protective actions, such as, imposing country-wide lockdowns and restrictions on travel and business operations. For example, India imposed a nationwide lockdown on March 25, 2020, and thereafter gradually lifted the lockdown in zones. See "*Risk Factor — The recent outbreak of COVID-19 could have a significant effect on our results of operations and could negatively impact our business, revenues, financial condition and results of operations"* for a discussion on the impact of COVID-19 on our industry and our operations.

Impact on the Indian economy:

Since lockdowns have eased in India, the economy has been revising. The index of core industries improved from 101.7 in the first quarter of Fiscal Year 2021 to 120.9 in the second quarter of Fiscal Year 2021, signaling a continued recovery. The YoY contraction in the core industries has reduced from 23.8% in the first quarter of Fiscal Year 2021 to 5.0% in the second quarter of Fiscal Year 2021. The broader industrial sector, represented by the Index of Industrial Production (Base Year 2011-12) also improved with contraction reducing from 35.6% in the first quarter of Fiscal Year 2021 to 5.9% in the second quarter of Fiscal Year 2021. The overall economy improved in sync with the contraction in GDP reducing from 23.9% in the first quarter of Fiscal Year 2021 to 7.5% in the second quarter of Fiscal Year 2021.

India's exports improved at a much faster pace than imports which led to a narrowing of the trade gap. Exports grew, from U.S.$51.4 billion in first quarter of Fiscal Year 2021 to U.S.$74.1 billion in second quarter of Fiscal Year 2021, thus improving with contractions reducing from 36.5% in first quarter of Fiscal Year 2021 to 5.4% in second quarter of Fiscal Year 2021. In fact, after declining for six months in a row, exports recorded YoY growth of 6% in September 2020. Recovery in non-Oil exports was even better, with contraction reducing from 33.4% in first quarter of Fiscal Year 2021 to 1.9% in second quarter of Fiscal Year 2021. In contrast, growth in imports was slow from U.S.$61.3 billion in first quarter of Fiscal Year 2021 to U.S.$90.6 billion in second quarter of Fiscal Year 2021. The YoY contraction in imports reduced from 62.7% in first quarter of Fiscal Year 2021 to 37.0% in second quarter of Fiscal Year 2021. Recovery in non-oil imports was slightly better, with contraction reducing from 49.3% in the first quarter of Fiscal Year 2021 to 18.7% in the second quarter of Fiscal Year 2021.

Impact of COVID-19 on the cargo volumes of major ports in India and our volumes in the first, second and third quarter of Fiscal Year 2021

Throughput from major ports in India declined at a rate of 19.7% YoY to 141.9 mmt in the first quarter of Fiscal Year 2021. Our throughput from our ports and terminals also declined during the same period by 27.1% YoY to 41.1 mmt. Post this, there has been a consistent improvement in the throughput at major ports in India which increased to 156.6 mmt in the second quarter of Fiscal Year 2021 (contraction reduced to 8.6% YoY) and 179.2 mmt in the third quarter of Fiscal Year 2021 (registering growth of 2.0% YoY).

Similarly, throughput handled by our ports and terminals also has been improving at a higher rate than other major ports in India where it increased to 56.2 mmt (growth of 6.7% YoY) in the second quarter of Fiscal Year 2021 and 66.7 mmt in the third quarter of Fiscal Year 2021 (excluding KPCL throughput (growth of 19.7% YoY)) or 76.5 mmt in the third quarter of Fiscal Year 2021 (including KPCL throughput (growth of 37.2% YoY).

During Fiscal Year 2021 and 2022, we intend to continue to focus on maintaining the growth of cargo volumes handled at our ports, generate adequate liquidity for our operations and conserve cash until there is more certainty on the world's response to COVID-19. We are also improving efficiency by using new technology for our operations. We expect to save on operating costs by eliminating redundancy, converting fixed cost to variable cost and by imposing stricter control on overhead costs. See "*Our Business — Corporate Social Responsibility*" for more details. We have taken steps and implemented policies to safeguard our employees, businesses and communities surrounding our operations from the threats posed by the COVID-19 pandemic. We have implemented the safeguarding procedures at all ports and facilities to ensure safety of our workforce and employees, which is our top priority. We have made necessary arrangements for providing a safe working environment for our personnel working at our ports, facilities and corporate offices which includes thermal scanning, safe distancing measures, regular hygiene checks among others.

Our Strategies

As a growing multi-location port and logistics developer and operator, our strategies evolve from the key strengths we have developed over the past decade. Our key strategies, which are set out below, are in line with the strategy we have adopted to develop a string of ports along the Indian coastline, from Mundra in the west to Dhamra in the east.

Operational excellence and business development

Our business strategy is specifically tailored across the various strategic business units we operate. Each unit with its diverse characteristic develops and maintains its strategy in line with our core strengths. Our aim is to achieve east-west coast parity in India. Key business strategies across individual business units are set out below:

Dry and liquid bulk business

With our ports network, we are well positioned to cater to our country's dry and liquid cargo demand. For dry cargo, our key focus is on coal, fertilizers, fertilizer raw materials, steel pipes and agricultural commodities, among other cargo. We have developed coal handling facilities across the demand generating western coast of India and supply oriented eastern coast of India. Not only is India dependent on crude oil and other liquid cargo imports for its energy requirements, but we believe India has also faced constraints for liquid cargo storage and evacuation and, therefore, our liquid terminals at Mundra Port and Hazira Port have been developed to support India's storage and evacuation requirement. At Hazira Port, we have developed liquid tank farm storage of 619,000 kiloliters and our liquid storage capacity at Mundra Port is 463,000 kiloliters. With a total liquid storage capacity of approximately 1,082,000 kiloliters, we provide storage for various liquid cargo such as crude oil, petroleum and other lubricants, chemicals and edible oils. To provide maximum benefit to our customers, we have strategically developed our assets to cater to the largest possible vessel size. Our deep drafts port enable our customers to optimize logistic costs through economies of scale. To retain our existing customers on a long-term basis, we have entered into long-term port service agreements across all our ports and we intend to continue doing so in the future to sustain the same growth momentum.

Development of cargo-specific hubs to tap the hinterland demand

We have developed hubs for dry as well as liquid cargo depending upon the demand of the hinterland. We have also developed specific terminals and storage areas for coal, fertilizers, steel, agricultural commodities and liquids. We are operating one of the largest coal import terminals at Mundra Port which

is now catering to the coal requirement of two power plants with an aggregate capacity of approximately 8,600 megawatts together, in addition to other power plants in the hinterland. As a strategy, we envisage the coal bulk terminal handling not only imported coal but also intra-country coal movement for the entire north and north western region of India. To cater to the import of coking coal and exports of thermal coal from the eastern region, we believe our terminals at Dhamra Port have the best-in-class handling and support infrastructure. Further, our coal terminal at Murmugao Port enables us to cater to the coal demand of the upper southern and lower central region of India.

Our liquid storage tanks at Mundra Port and Hazira Port are strategically positioned to cater to the liquid cargo storage requirements of their respective hinterlands. We have obtained licenses for storage of various kinds of liquid cargo which help customers bring all kinds of liquid cargo to our port. By developing the liquid tank farms at Hazira Port, we have strategically positioned our facilities to cater to the demand from the Bharuch Ankleshwar chemical belt in Gujarat. At Hazira Port, we have entered into long-term agreements with Cairn Energy Limited, Reliance Industries Limited and BASF for their liquid cargo handling and storage requirements.

In order to manage and handle fertilizers and fertilizer raw materials cargo more efficiently and reliably, we have developed a fully mechanized fertilizer cargo complex ("**FCC**") at Mundra. We have also developed a neem coating facility at Mundra to handle urea cargo.

Evolving partnerships for sustained long-term growth

For sustainable growth, we have entered into various long-term partnerships with various companies across key cargo segments like coal, crude, petroleum products, automobiles and steel for handling and storage of their cargo. We also have a strong customer base which includes companies such as HMEL and another leading state run crude oil refining company having refineries in north India, which has improved our contracted crude volumes growth. We have developed and intend to continue developing, dedicated facilities for our customers who commit to significant cargo handling at our ports. As a committed partner, our key contribution is by way of providing state-of-the-art infrastructure and an optimum cost advantage to our customers while they contribute with growing cargo at our ports.

Containers business

Our strategy for the container business is to focus on the infrastructure requirements for ship liners and container freight stations. By developing deep draft and better automated ports, we believe that we have emerged as a preferred port for container handling. To retain our existing container customers, we have tried to reduce the turnaround time at our ports and increase efficiency in terms of evacuation of the containers through rail or road. Our marine services are capable of maneuvering the largest ships visiting the Arabian Sea region. This not only helps us service our existing customers better but also attracts new ship liners to our container terminals. We have developed container terminals to handle large container vessels at our ports to cater to the global trend of upsizing container vessels.

Interlinked container terminals and transshipment hubs

With container terminals at Mundra Port and Hazira Port in the western India; Ennore Port and Kattupalli Port in southern India; the construction of a container transshipment hub at Vizhinjam and an opportunity to develop terminals at Dhamra Port in the east of India, we believe that we have the most container terminals of any indigenous port company in India. This enables us to provide an interlinked option to the shipping companies for their requirements across the country. Our ports have emerged as an important destination for all container ships, due to their best-in-class infrastructure. Our ports not only service the containers for India's demand but also service transshipment cargo. As a container hub, we have positioned our ports to service large container vessels. As a part of our long-term strategy, we believe that Dhamra Port is positioned to emerge as a transshipment/feeder hub for eastern India and the Bay of Bengal region. Our Vizhinjam Port is positioned to emerge as a strategic transshipment hub due to its close proximity to the international sea trade routes.

Evolving partnerships for sustained growth

At Mundra Port, we have developed the south basin. We believe that the south basin is positioned to emerge as the container hub of the Arabian Sea region. We have partnered with and going forward we intend to partner with various shipping lines for the development of deep-water container handling facilities at this basin. Currently, we have partnered with Mediterranean Shipping Company ("**MSC**") and CMA CGM and intend to enter into similar arrangements with various ship liners in the future. While the ship liners get a deep water, well-connected port with ready support infrastructure and therefore lower capital expenditure, we receive steady state revenues in terms of marine income, revenue share and profits. This also helps in the development of our SEZ business.

Development of industrial clusters within the SEZ

We possess 8,435 hectares of notified SEZ land adjacent to Mundra. The SEZ has strong competitive advantages in terms of contiguous land, requisite approvals and clearances, connectivity, infrastructure and water and sanitation facilities. With all these strengths, we intend to develop industrial clusters across the SEZ in line with our port operations. We believe that the Mundra SEZ is strategically located to emerge as a hub for industries in oil and gas, manufacturing of industrial components, automobile assembly and ancillary units and agricultural commodities.

Developing integrated logistics and service provider play

We have an established network of ports, inland container depots and licenses to operate container rakes across India. We intend to develop our logistics business and to vertically integrate our logistics and ports business, to become a dependable solutions provider. As a part of our strategy to develop as an integrated logistics and service provider, we are looking to benefit from our current strengths and build on the opportunities for organic and inorganic growth in the future.

Our inland container depots at Patli and Kishangarh are positioned to act as consolidation hubs for cargo from Kashipur, Kilaraipur, Modinagar, Gajrola and other smaller depots from the land locked northern region. The cargo will then be bundled and shipped towards gateway ports.

We have enhanced and we intend to further enhance our network of warehousing complexes, container freight stations, reefer facilities, liquid logistics infrastructure and controlled atmospheric storage units which will enable us to store and transport varied types of cargo from the land locked hinterland to our ports.

The third-party logistics solution market in India is at a nascent stage. Companies in textile, automotive, electronics, pharmaceuticals, manufacturing, retail and fast-moving consumer goods sectors are increasingly outsourcing logistics management to specialized third party logistics providers. We envisage using our capabilities and integrated services to provide these entities with a third-party logistics solution.

We currently have operations across the Indian coastline, five logistics parks and 56 rakes. Our rakes, inland container depots, warehouses and the third party logistics models complete our integrated logistics and service provider play right from the doorsteps of the customer to our string of ports, enabling us to become an integrated end-to end logistics service provider. We are in the process of expanding our logistics capabilities and rakes capacity for carrying containers, bulk cargo and special cargo, and expect to have a pan-Indian presence. We also intend to supplement this expansion with our services for inland waterways, ports, warehousing and road transportation capabilities and through strategic acquisitions.

Asset identification, optimization and growth

We are a growing multi-location ports and logistics developer and operator based in a country where the logistics sector is not yet mature enough to provide efficient and reliable services to customers. We are committed to developing and providing the best-in-class ports and logistics infrastructure in the country, including other value added services. Our asset identification and optimization strategy focuses on acquiring, developing and operating ports and logistics infrastructure across greenfield ports, brownfield ports, terminals at Major Ports, logistics parks and logistics related services across the country. As part of

our goal to optimize our resource utilization, we focus on operating ports and terminals which are readily accessible by large vessels. In addition to growing organically, we may from time to time pursue strategic acquisitions that complement our existing business. Our strategy for asset identification, optimization and growth is:

- *Export-import and domestic cargo mapping — Catering to the resource-rich hinterland*
    - *Asset identification based on maritime potential of the port*: development of ports based on export-import potential and domestic cargo movement;
    - *Greenfield and brownfield port development*: To offer integrated logistics services across India;
    - *Future growth avenues*: Development of infrastructure to handle LNG/LPG cargo, transshipment ports, investing in inland waterway transport and coastal shipping; and
    - *Value through network*: Identification and investment in port infrastructure of regional countries to form synergy with our business.
- *Creating modern infrastructure: Developing and operating modern ports*
    - Developing an integrated value chain of marine, handling, storage and evacuation infrastructure;
    - Developing deep draft ports to service large vessels along with a fleet of modern dredgers;
    - Developing fully mechanized terminals with modern equipment and storage infrastructure;
    - Developing multi modal evacuation infrastructure; and
    - Investment in new information technology infrastructure.
- *Multi-purpose terminals and specialized terminals*
    - Growing capabilities to handle different types of cargo; and
    - Developing specialized and multipurpose terminals to cater to business and local demands.
- *Commercial flexibility*
    - No regulatory pricing for some key assets; and
    - Diversifying services to avoid revenue and time pilferage.
- *Integrated end-to-end services*
    - Offering value added services on a single platform; and
    - Developing a dedicated network of rail, road and pipelines.
- *Opportunity of scale development — Prospect of future development*
    - Accumulating large land parcels available to tap future growth;
    - Developing support infrastructure;
    - Creating complete logistics and industrial ecology for growth to our partners and stakeholders;

    - Being in a position where future capacity expansion is possible at a relatively low cost; and
    - Investment at strategic locations.
- *Optimization*
    - Optimum utilization of existing available resources;
    - Identifying idle or less utilized assets and transferring them to more in-demand locations; before investing in assets, first evaluating existing asset utilization; and
    - Optimization through information technology, automation and innovation.
- *Innovative culture*
    - We are constantly promoting a culture of innovation, which helps us to generate new innovative ideas. These innovative ideas enable us to optimize resource utilization.
- *Application of internet of things, artificial intelligence and big data*
    - For effective utilization of existing assets and to identify new horizons for future investment, we are developing a specialized team to constantly follow such opportunities, and use applications based on the internet of things, artificial intelligence and big data for our operations. We believe a robust technology infrastructure will enable us to plan efficiently, achieve cost optimization and ensure efficiency in our operations.

Focus on sustainable growth

We intend to continue developing our services and solutions by following three broad sustainable growth strategies. We intend to continue providing a safe working environment for our employees, mitigating potential climate related risks and reducing the impact on shared natural resources. We are focused on switching to cleaner fuel and energy sources for cargo handling, creating biological carbon sinks and building resilient infrastructure that can withstand extreme weather conditions. We plan to continue investing in renewable projects and also focusing on our corporate social responsibility initiatives to drive social effectiveness. See "— *Environment, Social and Governance*" for further details on our sustainability initiatives.

Customer centricity through customized solutions

We intend to continue developing our services and solutions to be a leading integrated logistics and port company in India, driven by a customer centric approach. We also aim to continue implementing best-in-class talent, latest technology and continuously work towards creating value for our customers. We deploy automated and integrated workflow platforms for our operations to provide visibility and ensure efficient decision making. To allow our customers to get more accurate real-time updates, we are in the process of further digitizing our entire value chain and are in the process of enhancing our technologies based on data analytics, artificial intelligence and the internet of things. We also intend to continue focusing on making our technology systems more secure and reliable. We also seek to continuously develop our solutions by interacting and soliciting feedback from our customers and stakeholders. See "— *Information Technology and Computer Systems*" for further details on our technology systems.

Optimize capital allocation and maintain strong balance sheet

We intend to maintain and grow strong cash flow through disciplined approach on capital allocation towards capital expenditure and operating expenditure; along with disciplined management of working capital. As we continue to ramp up our portfolio of diversified, low-cost and well-invested assets, we expect to generate significant free cash flow with minimal remaining capital expenditure.

Our Competitive Strengths

Our principal competitive strengths are as follows:

Strong parentage and a trusted brand

We are a part of the Adani Group, which has significant interests across the resources (coal mining and trading), logistics (ports and logistics, shipping and rail), energy (power generation and transmission) and other ancillary industries, with a presence in India, Indonesia, Singapore, Australia, China and the Middle East. The Adani Group includes six listed companies in India. Adani Power Limited, Adani Enterprises Limited, Adani Transmission Limited, Adani Green Energy Limited, Adani Total Gas Limited and our Company. The Adani Group has an established track record and proven capabilities in executing large renewable and non-renewable projects globally. Our management processes, including our commitment to the environment and sustainability, aims to reflect the robust governance practices of the Adani Group and sustainability policy. The principles of the Adani Group's sustainability policy is applied throughout our management systems and processes and we adopt a precautionary approach to avoid or minimize negative impact.

Pan-India presence, strategic location and advantageous geographical characteristics

Our ports are located across the Indian coastline with key presence on the west and east coast of India. Mundra Port, Dahej Port, Kandla Port and Hazira Port are strategically located in Gujarat, close to the northern hinterland of India. These ports are also strategically important to serve the industrial bases of India's west and central hinterlands. Considering the Delhi Mumbai Industrial Corridor and Western Dedicated Freight Corridor, we believe that our ports on the west coast are crucial for driving economic growth in India.

Our ports on the west coast also have a unique advantage as they are close to oil rich countries, have access to major maritime trade routes, and have advantageous natural characteristics. Our terminal at the Murmugao Port caters to the demand-rich hinterland of central and southwestern India.

On the eastern coast of India, Dhamra Port is strategically located to cater to the resource-rich, landlocked hinterland of the eastern and northeastern India with its close proximity to the coal and iron ore rich states of Jharkhand, Bihar and Odisha.

In southern India, Ennore Port, Kattupalli Port and Krishnapatnam Port have a strategic presence to cater to the regional container cargo demand for southern India. Kattupalli, Krishnapatnam and Ennore Ports are well positioned to benefit from the growing industrial ecosystem of the region. These ports have dedicated container terminals and we are developing Kattupalli Port as multi commodity handling port.

The north, west and central regions of India, which include the National Capital Region, Gujarat, Rajasthan, Haryana, Punjab, Madhya Pradesh and Uttar Pradesh, generate significant seaborne trade, from which the Mundra Port, located only 341 kilometers from Ahmedabad, benefits. Mundra Port is also connected by a railway line that is capable of handling double stack containers to Bhatinda and the northern hinterland of India, and by branch lines to the Delhi-Mumbai freight corridor. Mundra Port and Kandla Port are located near the entrance of the Gulf of Kutch, close to one of the major global maritime trade routes that bridges resource rich Middle East, Africa and Australia, and regions with high resource demand and consumer exports in East and North Asia and Europe. Dahej Port and Hazira Port enjoy proximity to central and south-central India, including the hinterlands of Madhya Pradesh, Chhattisgarh,

north Maharashtra and south Gujarat, and are in close proximity to the existing Delhi-Mumbai freight corridor. Mundra Port, Kandla Port, Dahej Port and Hazira Port are each close to the proposed dedicated high-speed freight corridor connecting Delhi and Mumbai. Dhamra Port has access to the eastern hinterland which houses several steel industries and power plants.

Our facilities also benefit from advantageous geographic characteristics, with the ability to accommodate capesize vessels and operate all weather ports and terminals. All of our operational terminals enjoy deep drafts, ranging between 15 and 20 meters, which can accommodate capesize bulk vessels and container vessels with capacities of more than 14,000 TEUs to dock berth side. At Mundra Port, we handle VLCCs and ULCCs, which moor at our two single-point mooring facilities each with drafts of 32 meters. We believe our terminals have among the deepest drafts of ports on the west coast of India. Mundra Port is also protected by its location on the north shore of the Gulf of Kutch, while Dhamra Port is naturally protected by the Kanika Islands from the worst of the severe rain, wind and waves that accompany the monsoon season, reducing associated costs, delays and damages.

With their existing developments and access to surrounding areas capable of further development, Mundra Port, Kandla Port, Dahej Port, Hazira Port and Dhamra Port have substantial scope to increase capacity to cater to future demand which will facilitate the smooth expansion of our existing cargo handling facilities.

Successful track record of project development and execution

Enabled by our experienced senior management team (see "*— Experienced Senior Management Team*"), we have a successful track record of developing and executing projects, including waterfront, onshore, back-up area, evacuation and connectivity infrastructure across greenfield, brownfield and terminal locations.

We believe that our senior management's experience in project development provides us an advantage over our competitors in implementing our growth strategy, achieving operational efficiencies and attracting customers. Our management also believes in making investments in infrastructure with emphasis on successfully executing projects on schedule and within cost and establishing achievable objectives in our current and future development plans.

Our track record includes developing and operating 25 terminals with 59 berths and two single-point mooring facilities with mechanized back-up and storage areas across Mundra Port, Dahej Port, Hazira Port, Kandla Port, Murmugao Port, Dhamra Port, Vizag Port, Kattupalli Port, Krishnapatnam Port and Ennore Port. Mundra Port is the fastest port to reach 100 mmtpa within a span of 14 years from commencement of operations. We have also recently completed the development of incremental cargo handling capacities at Dhamra Port and container terminals at Ennore Port and Mundra Port, and are currently developing container handling capacities at the Vizhinjam Port.

In addition to our greenfield projects, we have successfully integrated our acquired assets. For example, in Fiscal Year 2014, we began providing operational consultancy services to Dhamra Port in order to improve its EBITDA margin. On June 22, 2014, we acquired a 100% controlling stake in DPCL. On October 1, 2020, we acquired a 75% controlling stake in KPCL. During this period, we not only successfully dovetailed the operations and the administration of this port but also integrated the strategies, procedures, systems and human resources of the Dhamra Port. Following our involvement in the Dhamra Port, we were able to improve the operating and financial performance at the port and increasing our EBIDTA margins from 53% in Fiscal Year 2014 to 63% in Fiscal Year 2020. We had similar success at Kattupalli Port, where the cargo volume has increased significantly after we took over the operations of the port. Adani Kattupalli Port Limited and Marine Infrastructure Developer Private Limited, had improved its EBITDA margin from 25% in Fiscal Year 2018 to 60% in Fiscal Year 2020. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations*". We believe that our application of operational expertise in running large ports contributed to this increase.

The strategies adopted to improve the results of DPCL are highlighted below:

- We increased the cargo being handled by DPCL by increasing operational and evacuation efficiency and minimal operations breakdown. Cargo grew at a CAGR of 13% from 14.25 mmt for Fiscal Year 2014 to 29.7 mmt in Fiscal Year 2020.

- We increased DPCL's total revenue by:

    - Rationalizing of operating cost per tonne by avoiding waste and, accordingly, reducing the demurrage payment. This was achieved by increasing operational and evacuation efficiency and minimizing operations breakdowns, leading to higher cargo handling and reduced operations and maintenance costs.

    - Reducing dredging cost.

    - Reorganizing and reducing corporate expenses by utilizing common resources.

Our project development and execution has been successful, with cargo volume handled increasing by a CAGR of 11.3% between Fiscal Years 2018 and 2020. Mundra Port was ranked first in terms of total cargo handled across all Non-Major Ports and Major Ports in India for Fiscal Year 2020 (*Source: Indian Ports Association, GMB and India Infrastructure Report of 2020*), Dahej Port, since commencing operations in 2011, has handled 6.4 mmt of cargo in Fiscal Year 2020, while Hazira Port handled 21.6 mmtpa of cargo in Fiscal Year 2020 and Dhamra Port handled 29.7 mmtpa of cargo in Fiscal Year 2020 we have also started operations at the terminals at Murmugao, Vizag and Tuna Tekra (Kandla), and the cargo handled for Fiscal Year 2020 for the ports was 4.0 mmtpa, 2.8 mmtpa and 6.5 mmtpa, respectively. At Kattupalli Port, in Fiscal Year 2020 we have handled 10.9 mmtpa of cargo. Similarly, in Fiscal Year 2020 at Ennore container terminal, we handled 1.9 mmt of cargo.

Extensive dedicated infrastructure

We have developed substantial infrastructure around our ports allowing us to have better connectivity to the hinterland. We have access to the latest mechanized material handling equipment, including dredgers, mobile harbor cranes, quay cranes, cranes, conveyor systems, port crafts and tugs, allowing us to smoothly carry out our marine operations and achieve improvement in the average turnaround times at our port facilities.

Our operational facilities have, integrated infrastructure with significant efficient connectivity regionally. Even our future development sites are designed to have efficient hinterland connectivity. We believe that this extensive infrastructure allows us to realize synergies and offer value-added services through our integrated port services model.

- ***Port infrastructure***. We have developed and operate 25 terminals with 59 berths and two single-point mooring facilities with mechanized back-up and storage areas across Mundra Port, Dahej Port, Hazira Port, Murmugao Port, Vizag Port, Kandla Port, Dhamra Port, Kattupalli Port, Krishnapatnam Port and Ennore Port. Our terminals and their related infrastructure are multi-purpose, providing us with unique flexibility to handle a variety of cargo across various business conditions. At Mundra Port, our extensive infrastructure provides us with significant room for growth. Mundra Port comprises three multi-purpose cargo terminals, four container cargo terminals, a coal terminal, two single-point mooring facilities and extensive supporting infrastructure. This supporting infrastructure includes mobile harbor cranes, conveyor systems, port craft and other equipment, and back-up and storage areas for dry and liquid bulk, container and crude oil cargo. We have also received notifications of land from the GOI for 8,481.28 hectares (including 168 hectares that are sector specific) of the Mundra SEZ, providing us with considerable room to continue to accommodate supporting infrastructure for the expansion of Mundra Port.

- ***Connectivity infrastructure***. We believe that the infrastructure providing connectivity between our facilities and their respective hinterlands is integral to successfully developing ports and related facilities. At Mundra Port and the Mundra SEZ, we benefit significantly from the proximity and connectivity to in-port and regional rail, road and pipeline infrastructure. Within and around the Mundra region, we have developed seven railway sidings, over 50 kilometers of roads and a private airstrip. Mundra Port and the Mundra SEZ are well connected to the regional railway network by a private 86-kilometer double track railway line, which we have developed and operate. At Mundra Port, our two single-point mooring facilities are connected by pipeline to petroleum refineries in Panipat, Haryana and Bhatinda, Punjab and the regional pipeline network, and our liquid cargo storage and handling facilities are connected by POL pipeline to Bahadurgarh, near Delhi. Dahej Port and Hazira Port benefit significantly from existing evacuation infrastructure, with each port well connected to the region by railway and road. The Dahej railway station, approximately two kilometers away from Dahej Port, is connected to Bharuch, Gujarat by a broad gauge railway line which was upgraded by the Bharuch Dahej Railway Corporation Limited, in which Adani Dahej has a 10.5% equity stake. Dhamra Port has a 62.8 kilometer private rail network which connects Dhamra Port to the national railway grid through Bhadrak, and also has a road connecting the port to the network of state and national highways. Ennore Port and Kattupalli Port also have extensive established rail and road connectivity to regional infrastructure.

- ***Logistics***. Our logistics business is an important vertical for our business and provides a seamless extension to our ports business, enabling us to offer an integrated, efficient and reliable solution to our customers. Our logistics business includes ICDs and multi-model logistics parks, warehouses, trains (container, general purpose, grain and auto trains) and private sidings. Currently, our inland infrastructure includes 56 freight trains of which 40 are container trains, nine are general purpose trains for bulk cargo, one auto freight train and seven grain trains. We also have five rail-linked logistics parks in Haryana, Rajasthan, Punjab and Karnataka. With this infrastructure, we believe that we are able to offer a seamless and integrated service to our customers across our port facilities. Our port export-import yards at the Mundra Port and Hazira Port facilitate transportation of cargo at the port sites.

  We are able to leverage the strategic location of these ICDs for cargo transportation. Dahej Port, Hazira Port, Kandla Port and Mundra Port are connected by the high-speed rail freight corridor that connects Delhi and Mumbai, thus providing us access to the northern, central and western hinterland of India. Similarly, Dhamra Port and Ennore Port are connected by a rail freight corridor providing access to the eastern and southern hinterland of India, respectively. We are further investing in additional container, general purpose and auto rail wagons, and multi-modal logistics parks to meet customer demand.

Our infrastructure is supported by our state-of-the-art technologies, which are customer centric and provides high level of automation. We have implemented industry and trade specific software to extract real-time information at each of our facilities, which we further provide to our customers. We have been proactive in integrating and implementing SMART Port technologies, which are based on automation, mechanization, big-data analytics, internet of things and robotic. Through this, we are able to manage and integrate workflow platforms, offer real-time updates to our customers and improve the efficiency of our operations. With these tools we are also able to visualize the entire cargo value-chain along with productivity of each component on a real time basis, which we believe increases efficiency, ensures cost optimization and increases productivity. See "— *Information Technology and Computer Systems*" for further details on our technology systems.

Fully integrated port and logistics services provider for diverse range of cargo

We offer customers fully integrated port and logistics services for a diverse range of cargo. We continuously add value at each step of the logistic value chain, from the piloting of vessels to their berths to the evacuation of cargo to, and beyond, the regional infrastructure network. These services include marine, intra-port transport, storage and handling, evacuation and logistics services across road, railway and pipeline connectivity. We provide these services through our extensive infrastructure with the flexibility to accommodate, and provide dedicated facilities for, a diverse range of cargo, including dry, roll on-roll off facilities and liquid bulk, container and crude oil cargo. Our extensive port and connectivity infrastructure with regional connectivity also allows us to offer value-added services to our customers, including in-house customs clearance, logistics and storage services. For example, Maruti Suzuki manufactures cars at Manesar in north India, which is located 22 km from the Patli Inland Container Depot ("**PICD**"). Due to this proximity, Maruti Suzuki uses the PICD to transport its cars, using rakes operated by Adani Logistics Limited. These cars arrive at a pre-dispatch inspection yard which is near Mundra Port. From here, the cars are loaded into car-carrying vessels from the roll-on, roll-off terminal at Mundra, enabling us to provide an end to end solution.

We believe that the fully integrated port and logistics services model provides a number of benefits to our customers and us. Our customers benefit from this model by having one vendor across the value chain that they can hold accountable for their logistics needs. We believe that this accountability fully aligns our interest with that of our customers', and allows us to improve the speed and quality of the service our customers receive. We benefit from this model because it provides us with multiple streams of income and reduces the number of other service providers in the logistics chain, allowing us to capture revenue from additional services and charge premium pricing for a bundled, and what we believe is superior, service. We believe that our fully integrated port and logistics services model creates a sustainable competitive advantage in attracting customers against other ports in the region.

Long-standing relationships with customers and strong business partnerships

At our key ports, we have long-standing relationships with our top customers, which we believe have been established and are strengthened by the strategic locations, extensive dedicated infrastructure, customer-centric operations and ability to handle additional cargo at each of our facilities. Our customers include leading state-owned petroleum refineries, government-owned POL distribution companies, power plants, prominent automobile manufacturers, shipping lines as well as container service providers such as BASF India Limited, Cairn India Limited, Coastal Gujarat Power Limited (Tata Power Limited's Subsidiary), Adani Power Limited, Maruti Suzuki, Maersk West and Central Asia Limited, NTPC Tamil Nadu Energy Company Limited, Cairn Energy Limited, Hindustan Petroleum Corporation Limited and Reliance Industries Limited, as well as a leading national steel manufacturing company, a leading state-run crude oil refining company with refineries in north India and a leading private steel company. These long-standing relationships have allowed us to enter into long-term agreements with customers across a variety of industries with varying cargo requirements, which we believe help us to weather economic and commodity price volatility. We also enter into strategic partnerships with corporations such as P&O Ports, Petronet LNG, Shell Hazira and MSC where we perform the role of an asset developer and operator, while our partners provide their cargo sourcing expertise. We believe that these business partnerships will ensure the future growth of our business.

Achieving synergies with our chain of ports to cater to India's international trade

With assets spread across the Indian coastline, we are geared to cater to the ingress and egress cargo movement requirement for both international trade and coastal shipping. We have established ports and terminals with both multi-purpose and cargo specific handling facilities along with integrated ports and related services provided by us. With this network of ports, we are in a position to cater to the demand generated from any part of the country.

- To cater to the high demand generating northern and north western regions of India, we have developed Mundra Port and Kandla Port.

- To cater to the requirement of bulk, liquid and container demand arising from the chemical belt of India and the central Indian hinterland, our Dahej Port and Hazira Port are equipped with marine, handling and storage infrastructure.

- The Dhamra Port enables us to cater to the resource rich eastern and north eastern hinterland providing an optimal cost solution for various minerals and coal exports as well as imports for the land locked eastern India region.

- Our coal terminals at Dhamra Port enable us to cater the eastern and south eastern parts of central India.

- Our coal terminals at Murmugao Port and Vizag Port enable us to cater to the coal demand of the upper southern and lower central regions of India and can each act as a captive port for large users in the hinterland.

- Our container terminals at Ennore Port and Kattupalli Port, and the terminal we are developing at Vizhinjam Port will enable us to cater to southern India's container cargo handling demand.

- As a specific strategy for containerized cargo, we have developed container terminals at various strategic locations, including at our existing ports such as Mundra Port, Hazira Port and Ennore Port. Our pan-India container terminals provide options to shipping lines to make all their India calls at our ports. Going forward, we may replicate Mundra Port's Arabian Sea transshipment model at Dhamra Port, which offers an opportunity to emerge as a hub for transshipment/feeder of cargo across the Bay of Bengal region. This port has the potential to feed the container movement to our neighboring countries, such as Bangladesh and Myanmar.

With these ports and terminals across the country, we have positioned ourselves not only to cater to India specific cargo demands but also to be a port of call for the entire Indian subcontinent.

Experienced senior management team

Our senior management team has significant industry experience and relationships in the port and related industries. Gautam S. Adani, our Chairman and Managing Director and the founder of the Adani Group, one of the leading business conglomerates in India, has over 30 years of experience as an entrepreneur across the power generation, coal mining, oil and gas exploration, bunkering and port development industries. We also benefit from our senior management's extensive strategic and operational experience in a variety of sectors and businesses such as shipping lines, marine pilotage, marine technical, Major Ports, logistics and railways, which, in turn, allows us to manage our growth and ensures smooth operations across all our ports. We believe that the knowledge and experience of our senior management team enables us to continue to build on our track record of project development and execution and respond to market opportunities. For further details, see — "*Board of Directors and Senior Management*".

Business Structure

Our organizational structure with equity shareholding in the respective operational entities as at September 30, 2020 is set out below:

Entity Name	Our Company's Ownership	Other Owners
Karnavati Aviation Private Limited	100%	—
MPSEZ Utilities Limited	100%	—
Mundra International Airport Private Limited	100%	—
Adani Vizag Coal Terminal Private Limited	100%	—
Adani Hospitals Mundra Private Limited	100%	—

Entity Name	Our Company's Ownership	Other Owners
Adani Ennore Container Terminal Private Limited	100%	—
The Dhamra Port Company Limited	100%	—
Shanti Sagar International Dredging Limited	100%	—
Adani Vizhinjam Port Private Limited	100%	—
Adani Kattupalli Port Limited	100%	—
The Adani Harbour Services Limited	100%	—
Adani Murmugao Port Terminal Private Limited	100%	—
Adani Kandla Bulk Terminal Private Limited	100%	—
Adani Hazira Port Limited	100%	—
Marine Infrastructure Developer Private Limited	97%	3% (Tamil Nadu Industrial Development Corporation Ltd.)
Adani Petronet (Dahej) Port Private Limited	74%	26% (Petronet LNG Ltd.)
Mundra SEZ Textile and Apparel Park Private Limited	55%	45%
Adani Logistics Limited	100%	—
Adani Agri Logistics (Samastipur) Limited*	100%	—

* *Equity shares of Adani Agri Logistics (Samastipur) Limited are held by Adani Logistics, which is a wholly owned subsidiary of our Company*

Description of our portfolio of our assets

We provide port and logistics services for various cargos, including dry and liquid bulk, container, crude oil and other cargo, with a focus on container, crude oil and coal (which is a dry bulk) cargo. We currently operate 25 terminals with 59 berths and two single-point mooring facilities at Mundra Port, Dahej Port, Hazira Port, Murmugao Port, Kandla Port, Dhamra Port, Vizag Port, Kattupalli Port, Krishnapatnam Port and Ennore Port. We have completed the development of a berth at Dhamra Port, a container terminal with two berths at Ennore Port in Tamil Nadu, acquired a container terminal at Kattupalli Port and developing a deep-water multi-purpose port with two berths at Vizhinjam Port. We have also developed and operate five logistics parks/ICDs at Patli in Haryana, Kishangarh in Rajasthan, Kila Raipur in Punjab, Kanech in Punjab and Malur in Karnataka, which provide us with a strategic presence in the northern hinterland of India and we operate EXIM yards at the Mundra and Hazira Ports. Our operational port facilities and logistics facilities are set out below at December 31, 2020 (including recently acquired Krishnapatnam Port):

Port Name	**Mundra**	**Dahej**	**Hazira**	**Dhamra**	**Murmugao**	**Vizag**	**Kandla**	**Ennore**	**Kattupalli**	**Adani Logistics**	**Krishnapatnam**	**Total**
Hinterland	**North, Western and Central India**	**North, Western and Central India**	**North, Western and Central India**	**Northeastern, Eastern and Southeastern India**	**Lower Western India**	**Lower Eastern India**	**North, Western and Central India**	**Eastern and Southern India**	**Eastern and Southern India**	**Pan-India**	**Eastern and Southern India**	
Capacity (MMT)												
Bulk	98.00	13.50	15.40	45.00	5.20	6.41	14.00	—	—	—	50	247.51
Crude	40.00	—	—									40.00
Container (MMT)	97.82	—	14.60					11.68	24.65	6.47	12	167.22
Liquid	13.00	—									2	15.00
Container (mn TEUs)	6.70	—	1.00					0.80	1.69	0.44	0.82	11.45
LNG	**5.00**											**5.00**
LPG	**3.86**											**3.86**
Current (MMT)	**257.68**	**13.50**	**30.00**	**45.00**	**5.20**	**6.41**	**14.00**	**11.68**	**24.65**	**6.47**	**64.00**	**478.59**
LNG				5.00								5.00
Under Development (MMT)	**—**	**—**	**—**	**5.00**	**—**	**—**	**—**		**—**	**—**		**5.00**
Total Capacity	**257.68**	**13.50**	**30.00**	**50.00**	**5.20**	**6.41**	**14.00**	**11.68**	**24.65**	**6.47**	**64.00**	**483.59**

Port Name	Mundra	Dahej	Hazira	Dhamra	Murmugao	Vizag	Kandla	Ennore	Kattupalli	Adani Logistics	Krishnapatnam	Total
Hinterland	North, Western and Central India	North, Western and Central India	North, Western and Central India	Northeastern, Eastern and Southeastern India	Lower Western India	Lower Eastern India	North, Western and Central India	Eastern and Southern India	Eastern and Southern India	Pan-India	Eastern and Southern India	
Status	Operational	Operational	Operational	Operational	Operational	Operational	Operational	Operational	Operational	Operational	Operational	
Opportunity to expand	P	P	P	P	X	X	X	X	P	P		
Maximum Draft (meters)	18.00	14.00	14.00	17.50	14.00	15.00	16.20	17.00	15.00	—	18.50	
Berth Length (meters)	7,605.00	427.00	1,858.00	1,548.00	300.00	280.00	1,180.00	400.00	710.00	—	3,300	17.608.00
Berths	26	2	6	4	1	1	4	1	2	—	12	59
Fully Mechanized	P	P	P	P	P	P	P	P	P	—	P	
Revenue Share	Nil	Nil	3% > 10 years	Currently 8%	20%	40.3%	25.1%	37%	Currently 3%	—	2.6% for 0-30 yrs 5.2% for 30-40 yrs 10.4% for 40-50 yrs	
Bulk Handling Equipment (cranes)	26.00	4.00	4.00	8.00	2.00	2.00	4.00	—	—		17.00	67.00
Staker and Reclaimers	9.00	3.00	—	9.00	1.00	2.00	—	—	—	—	4.00	28.00
RMQ	32.00	—	6.00	—	—	—	—	4.00	6.00	—	5.00	53.00
RTGs	104.00	—	14.00	—	—	—	—	12.00	15.00	—	9.00	154.00
Conveyors (in km)	57.00	9.80	1.70	18.04	2.60	2.22	10.00	—	—	—	18.17	119.53
Railway Lines (in km)	225.00	8.00	—	67.00	—	—	6.00	2.00	—	18.00	54.00	380.00
Locomotives	6.00	2.00	—	7.00	1.00	—	—	—	—	—	6.00	22.00
Rakes	—	—	—	—	—	—	—	—	—	56.00		56.00
Silos Storage (number)	5.00	2.00	—	4.00	1.00	1.00	—	—	—	70.00	2.00	85.00
Tankages (KL)	463,000.00	—	619,000.00	—	—	—	—	—	—	—		1,082,000.00
Bulk Storage Area (sq m)	1,445,453.00	265,616.00	389,940.00	465,934.00	41,500.00	66,695.00	226,704.00	—	293,408.00	1,010,841.00	2,264,626	6,470,717.31

Port Name	Mundra	Dahej	Hazira	Dhamra	Murmugao	Vizag	Kandla	Ennore	Kattupalli	Adani Logistics	Krishnapatnam	Total
Hinterland	North, Western and Central India	North, Western and Central India	North, Western and Central India	Northeastern, Eastern and Southeastern India	Lower Western India	Lower Eastern India	North, Western and Central India	Eastern and Southern India	Eastern and Southern India	Pan-India	Eastern and Southern India	
Container Slots (TGS) . .	31,884.00							4,000.00	5,120.00	7,000	5,000	56,835.00
Single-Point Moorings . .	2.00	—	—	—	—	—	—	—	—	—		2.00
Dredgers (Not allocated Port-wise)	—	—	—	—	—	—	—	—	—	—		18.00
Tug	11.00	2.00	5.00	5.00	—	—	2.00	—	2.00	—		27.00
No. of logistic parks . . .										5		5
Tariff Fixation	Commercially Negotiated	Commercially Negotiated	Commercially Negotiated	Commercially Negotiated	Regulated	Regulated	Regulated	Commercially Negotiated	Commercially Negotiated	Commercially Negotiated	Commercially Negotiated	

* 1 million TEU's is equal to 14.60 mmt

Port Services

We are currently able to provide port services at Mundra Port, Dahej Port, Hazira Port, Kandla Port, Ennore Port, Murmugao Port, Vizag Port, Krishnapatnam Port and Dhamra Port, as well as Kattupalli Port, and plan to provide port services at our other facilities as they become fully operational. Our port services, depending on the types of cargo handled at the facility, include:

- Marine services, including the piloting of vessels using tugs, berthing and de-berthing, and loading and unloading of cargo and containers on and from berthed vessels, and opening and closing container hatches.

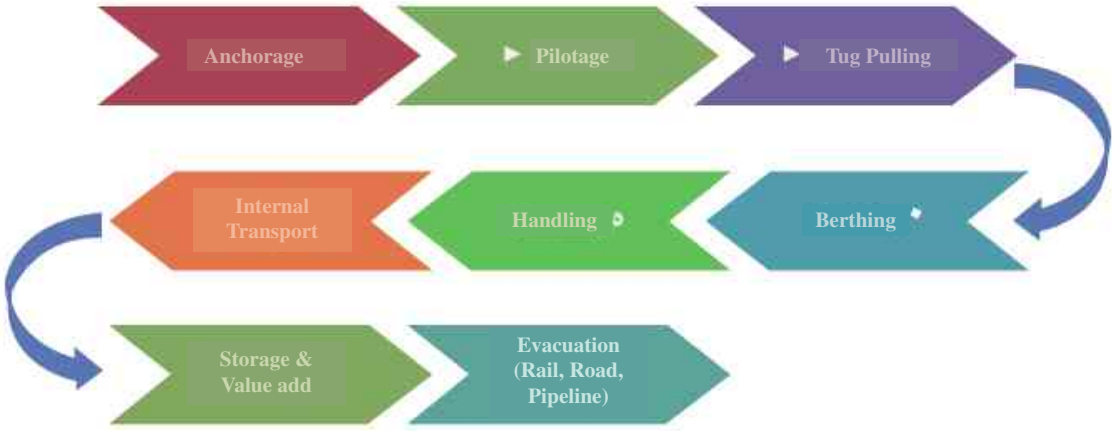
- Intra-port transport services, including transporting all types of cargo within the port using conveyors, roads and railway sidings. We transport dry bulk cargo within the port from the berth to storage areas by conveyors and trucks. We transport liquid bulk cargo through pipelines from the vessels to storage tank areas. We transport container cargo between the container terminals and container freight stations.

- Storage and handling services, including storage for dry bulk and liquid bulk cargo. We provide short-term and long-term storage for dry bulk and liquid bulk cargo in the back-up area at Mundra Port. We also load and unload dry bulk and liquid bulk cargo onto or from trucks or railcars for transportation to and from Mundra Port.

- Other value-added services, including: for dry bulk cargo, cleaning, bagging and blending services; for liquid bulk cargo, heating, cooling and blending services; and, more generally, ship chandlering, providing fresh water and consumables, 24-hour water navigation, port maintenance and dredging.

We have also developed, or have access to, each or some of rail, road, pipeline and passenger air connectivity between our facilities and their respective hinterlands. See "— *Mundra Port, Mundra, Gujarat (Operational) — Connectivity*".

A flow chart summarizing the port services we provide is set out below:



Mundra Port, Mundra, Gujarat (Operational)

We have developed and operate Mundra Port, which has over seven kilometers of total berth length, and the Mundra SEZ, a multi-industry SEZ adjoining Mundra Port and related facilities. Mundra Port and the Mundra SEZ were approved as a SEZ pursuant to an approval dated April 12, 2006. See "— *Special Economic Zone Activities*". Mundra Port is located on the Gulf of Kutch, approximately 1,100 kilometers southwest of Delhi and approximately 850 kilometers northwest of Mumbai, positioned to service the inland industrial centers of north and northwest India. Mundra Port has one of the deepest water draft

depths on the west coast of India, ranging from approximately 17.5 meters to 23 meters berth side, and up to 32 meters at the single-point mooring facilities, allowing us to accommodate capesize container cargo vessels of up to 14,000 TEUs, and VLCCs and ULCCs of up to 360,000 DWTs. In Fiscal Year 2020, the average turnaround time of handling cargo at Mundra Port was 0.56 days and the average pre berthing detention time was 0.07 days over the same period. For the 10 year period since 2010, the CAGR of cargo growth at Mundra Port has been 13.2%. Further, the share of cargo handled at Mundra port reduced from 66% in Fiscal Year 2015 to 63% in Fiscal Year 2020, resulting in diversification of cargo handled at other ports.

For Fiscal Year 2020 and in the six months ended September 30, 2020, Mundra Port was India's largest port, as measured by volume, and currently includes three bulk terminals with 12 berths, five container terminals with 10 berths, one coal and bulk terminal with four berths, one LPG terminal, one LNG terminal, two single-point mooring facilities, port craft and mechanization and related infrastructure and equipment. We have developed and operate Mundra Port pursuant to a 30-year concession agreement with the Government of Gujarat and the GMB. See "— *Concession Agreement*".

At Mundra Port, we provide (i) bulk cargo, (ii) container cargo, (iii) crude oil cargo and (iv) value-added port services. We also provide evacuation services, by road, railway and pipeline, and logistics services. See "— *Logistics Services through Adani Logistics (Operational).*"

Bulk Cargo Services

We commenced bulk cargo services for Adani Group companies in October 1998 and commenced commercial operations pursuant to the concession agreement with the GMB in October 2001. Our bulk cargo services include providing port services for dry bulk and liquid bulk cargo at three multi-purpose terminals: Multi-purpose Terminals 1, 2 and 3, which are three terminals located at the main basin of Mundra Port, and the Coal and Bulk Terminal, which is a terminal located at the west basin of Mundra Port.

Multi-purpose Terminals 1, 2 and 3 handle a variety of dry bulk cargo, and Multi-purpose Terminal 1 also handles liquid bulk cargo. Each of the terminals has handling equipment and connectivity infrastructure to load and unload cargo to and from vessels, storage areas and various means of evacuation. Multi-purpose Terminal 1 is also equipped with pipelines to handle liquid bulk cargo, including POL.

The Coal and Bulk Terminal handles a variety of dry bulk cargo, but primarily coal. The Coal and Bulk Terminal consists of a fully mechanized terminal and back-up yard and has a 25-km conveyor that connects the Coal and Bulk Terminal to coal-fired power plants with a total of 8,620 megawatts of operational capacity. We have entered into two port services agreements and cargo handling agreements with Adani Power Limited and one port services agreement with Coastal Gujarat Power Limited (Tata Power Limited's Subsidiary) for its ultra-mega power project that require us to provide port services for the coal used at these power plants. These agreements require us to provide port services, including the berthing and de-berthing of vessels, unloading of imported coal, and loading in and delivery of rakes, for 15 years, 15 years, 25 years and 25 years from the dates that specified coal-fired power plants commence commercial operations, respectively. With its deep draft the Coal and Bulk Terminal can accommodate super capesize vessels of up to 250,000 DWT. Details of the infrastructure at and locations of Multi-purpose Terminals 1, 2 and 3 and Coal and Bulk Terminal are set out below:

Particulars	Multi-Purpose Terminal 1	Multi-Purpose Terminal 2	Multi-Purpose Terminal 3	Coal and Bulk Terminal
Cargo type	Gas and liquid bulk	Dry Bulk	Dry bulk	Coal
Draft	14 meters	14-17 meters	14 meters	18 meters
Vessel size	Capesize	Capesize	Panamax	Capesize

Particulars	Multi-Purpose Terminal 1	Multi-Purpose Terminal 2	Multi-Purpose Terminal 3	Coal and Bulk Terminal
Berths	4	4	4	4
Berth length	940 meters	1,016 meters	939 meters	1,360 meters
Equipment	—	4 cranes	4 cranes	10 Grab Ship Unloaders, 9 stacker reclaimers, 50 kilometers conveyor

Eight gantry cranes and 57 kilometers total conveyor length at Mundra Port.

Container Cargo Services

We commenced container cargo services in July 2003 and provide marine, intra-port transport, storage and handling and other services at Container Terminals 1, 2, 3 and 4 and an automobile handling facility. We have entered into a sub-concession agreement with Mundra International Container Terminal Private Limited ("**MICTL**") to operate Container Terminal 1 and have also entered into a joint venture with Mundi Limited dated October 3, 2011 to operate Container Terminal 3 through a sub-concession agreement with AICTPL. We operate Container Terminal 2 and the automobile handling facility ourselves. We entered into a joint venture agreement on June 24, 2014 with CMA Terminals for the development of Container Terminal 4, the construction of which was completed in 2016.

- *Container Terminal 1*. At Container Terminal 1, we provide marine, intra-port transfer and evacuation services, and contract the storage and handling services to MICTL pursuant to the CT1 Sub-concession Agreement. Pursuant to the CT1 Sub-concession Agreement, MICTL provides certain storage and handling services and other services. We receive royalties tied to MICTL's gross operating income attributable to services we provide, with a minimum guaranteed amount.

- *Container Terminal 2*. At Container Terminal 2, we provide all marine, intra-port transport, storage and handling and other services. These other services include stuffing and de-stuffing containers, cargo consolidation, packing and repackaging and cargo warehousing.

- *Automobile Handling Facility*. The automobile handling facility, located adjacent to Container Terminal 2, commenced operations in January 2009 and accommodates automobile exports and related logistical services for automobile manufacturers.

- *Container Terminal 3 and 5*. We have developed and operate Container Terminal 3, where we provide marine services, intra-port transfer and evacuation services. We have also entered into a sub-concession agreement with AICTPL, in which we hold 50% equity shareholding, to perform the storage, handling and other value-added services for Container Terminal 3. To meet the increasing demand for containers, we expanded this terminal and in Fiscal Year 2018, we started operations at the extension to Container Terminal 3, at the south basin of Mundra, which we call Container Terminal 5. Incorporated in 2011, AICTPL is a 50:50 joint venture between us and Terminal Investment Limited, SA group ("**TIL**"). TIL is a subsidiary of MSC which is the world's second-largest shipping line in terms of container vessel capacity.

- *Container Terminal 4*. We have developed and operate the Container Terminal 4, where we provide marine services, inter-port transfer and evacuation services. Container Terminal 4 is operated by ACMTPL, which is 50:50 joint venture between us and CMA CGM, France which is one of the world's largest shipping lines for container vessels.

Details of the infrastructure at Container Terminals are set out below:

Particulars	Container Terminal 1	Container Terminal 2	Container Terminal 3	Container Terminal 4	Container Terminal 5
Cargo type	Containers	Containers	Containers	Containers	Containers
Draft	14.7 meters	14.7 meters	16 meters	16 meters	16 meters
Vessel size	> 14,000 TEUs	> 14,000 TEUs	> 18,000 TEUs	> 18,000 TEUs	> 18,000 TEUs
Berths	2	2	2	2	2
Berth length	630 meters	630 meters	810 meters	650 meters	630 meters
Cranes	22 RTS, 6 RMQC	20 RTS, 6 RMQC	27 RTS, 8 RMQC	17 RTS, 6 RMQC	18 RTS, 6 RMQC

Crude Oil Cargo Services

We commenced crude oil cargo services in Fiscal Year 2006 and provide crude oil cargo services through two single-point mooring facilities. These facilities consist of buoys that float approximately eight kilometers offshore, with a water depth of 32 meters to handle VLCCs and ULCCs of up to 300,000 DWT, and are attached by dedicated pipelines to two refineries. We provide port services to these two refineries pursuant to two agreements with terms extending until February 16, 2031. Pursuant to these agreements, we provide piloting, hauling, mooring, de-mooring and berthing services, and sub-lease land for crude oil storage tanks. In return, we receive royalty payments based on among others the volume of cargo handled each year and wharf age fees.

Railway Services

We provide railway services to move cargo on rail sidings in Mundra Port along the private 64 kilometer Mundra-Adipur double track railway line, which connects Mundra Port to the Indian Railways rail network at Adipur, Gujarat. At Mundra Port, we provide railway services, including loading and unloading cargo from storage areas and into and from train wagons, and transporting cargo using our own locomotives. In total, we have seven railway sidings and two locomotives in use at Mundra Port. We have also developed and operate a 22 kilometer railway line through the Mundra SEZ, connecting Mundra Port to the Mundra-Adipur railway line. We constructed, own and operate the railway line and receive a portion of freight revenues received for cargo hauled on this railway line.

Concession Agreement

We have the right to develop, operate and maintain land located at Mundra Port in Mundra, Gujarat until February 16, 2031, with an option to extend subject to certain terms and conditions, pursuant to a concession agreement, dated February 17, 2001, entered into between us, the GMB and the government of Gujarat. This land includes approximately 3,404 acres. We also entered into a lease agreement with GMB on September 28, 2000 pursuant to the concession agreement.

As per the concession agreement, we have the following rights and entitlements:

- Develop various assets, including a multi-purpose jetty, jetty approach head and dry bulk container jetty, shared services, terminals and certain instable assets;
- Grant sub-concessions for all assets, except core assets, as are consistent with, and coterminous or terminating earlier than, the concession agreement;
- Sub-contract with third parties and mortgage our leasehold interests in the land and waterfront; and
- Collect fees for services rendered at the port.

We must pay the GMB concessional waterfront royalties for each tonne, and varying by type, of cargo handled at Mundra Port. These royalties increase by 20% every three years. When the concession agreement expires, all immovable and essential movable contracted assets will be transferred to the GMB. We will receive consideration based on historical cost of the assets, subject to depreciation, as determined by an independent appraisal team. If the concession agreement is terminated early due to a default by either party, the assets will be transferred to the GMB. In return, we will receive compensation based on an independent valuation of the assets, adjusted based on which party defaulted, as set out in the concession agreement. See "*Risk Factors — Risks Related to Our Business — We face a variety of risks in connection with our reliance on concessions, sub-concessions and licenses from government and quasi-governmental organizations. The terms of these agreements include certain events of default, the occurrence of which could adversely affect our business, cash flows and results of operations*".

Long-term Agreements

We have entered into several long-term port service agreements to provide port services within Mundra Port to various petroleum refineries, power plants, automobile manufacturers and container service providers. These long-term port service agreements are valid for the concession period of the port and have clauses for cost escalation based on WPI and CPI indexes.

Port Craft and Mechanization

We have a fleet of 18 dredgers to develop and maintain deep drafts at the basins of the various ports at which we have operations. These dredgers allow us to create and maintain deep drafts to allow our ports to handle larger cargo vessels. We also own and operate 27 tugs, which we use to maneuver vessels in and out of the terminals. These tug boats provide marine services, such as pulling, berthing, deberthing and stabilizing vessels, including capesize, ULCC and VLCC vessels.

Special Economic Zone Activities

We are the primary developer of the Mundra SEZ, a multi-purpose SEZ in and around Mundra, and are responsible for planning, zoning and developing the Mundra SEZ and its infrastructure, as well as attracting outside investment. We have commenced construction of key arterial roads, water supply and drainage facilities, sewage and sanitation across the Mundra SEZ. We have also sourced co-developers who have been approved by the GOI, to construct and operate various infrastructure facilities.

We provide land and infrastructure to various parties for their use. For example, we have entered into sub-lease agreements with MICTL, crude and other oil refineries, liquid bulk manufacturers and container freight station operators permitting these parties to use our land for port-based commercial activity and related development. We have also leased land to third parties interested in establishing industrial infrastructure.

We have also received approval from the Ministry of Commerce to combine the Mundra SEZ, which is multi-purpose, with the sector-specific SEZ of Adani Power. Adani Power has been named a co-developer of the Mundra SEZ. We received approval to develop the Mundra SEZ from the GOI on April 12, 2006. We have received notification of the land, akin to confirmation of possession, from the GOI for 8,481.28 hectares (including 168 hectares that are sector specific). We will continue to seek notification of the remaining land we have in possession and the new land we acquire.

Connectivity

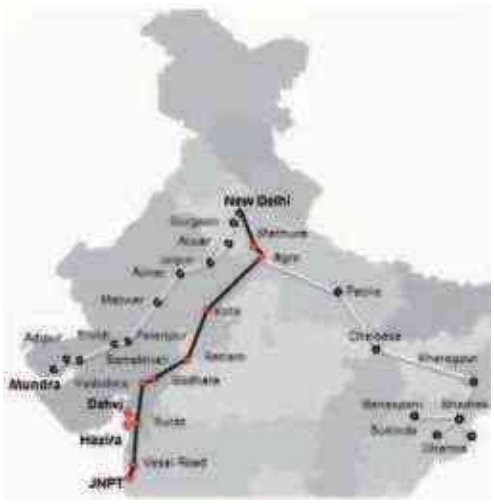
We have developed and operate a private 64 kilometer double track railway line between Mundra and Adipur, connecting Mundra Port to the Indian Railways network at Adipur, Gujarat. We have also constructed and operate a 22 kilometer railway line through the Mundra SEZ, connecting Mundra Port to the Mundra-Adipur railway line and nearby power plants. At Adipur, two railway lines ultimately connect Adipur to Delhi and Bhatinda, respectively. The railway line through Gandhidham-Palanpur, ultimately

connecting to Delhi, was converted to a broad gauge track by Kutch Rail Company Limited, in which we hold a 20.0% equity interest. The railway line through Bhildi-Luni, ultimately connecting to Bhatinda, was converted to a broad gauge track, capable of handling double-stack trains, by the Indian Railways. The Indian Railways also operates the only "python", or long-haul, train, which increases throughput by running with more than 90 wagons, equivalent to combining two container loaded trains into one train, from Mundra Port.

By rail, Mundra Port is approximately 245 kilometers closer to Delhi, and approximately 408 kilometers closer to Bhatinda than the Mumbai Port, and approximately 86 kilometers closer to Delhi, and 249 kilometers closer to Bhatinda than the Pipavav Port.

Origin Destination	Distance	Advantage Mundra
	(km)	(km)
Mundra-Delhi	1,105	—
Mundra-Bhatinda	1,128	—
Mumbai-Bhatinda	1,536	408
Mumbai-Delhi	1,350	245
Pipavav-Delhi	1,191	88
Pipavav-Bhatinda	1,377	249

(Source: Indian Railways)



We expect that railway connectivity between Mundra Port and north and west India may be further enhanced by proposed railway lines and lines under construction, including a railway line between Palanpur and Adipur, which is under construction by the Indian Railways, and a proposed dedicated high-speed freight corridor connecting Delhi and Mumbai, with branches to ports in Gujarat.

- *Road*. Mundra Port is connected by a six-lane road to Mundra, which is linked to National Highway 8A, National Highway 15 and state highways, including the Mundra-Anjar state highway. We have also constructed flyovers and roads across the Mundra SEZ to improve intra-port and intra-Mundra SEZ road connectivity. Mundra Port is well connected by road to the hinterlands of Gujarat, Rajasthan and Punjab. By road, Mundra Port is approximately 278 kilometers closer to Delhi than the Mumbai Port and approximately 83 kilometers closer than the Pipavav Port.

- *Pipeline*. Mundra Port and storage tanks are connected by two dedicated pipelines for crude oil to two refineries and one dedicated pipeline for POL.

A customer has constructed a 48-inch pipeline to transport crude oil from Mundra Port to its refinery in Panipat, Haryana, and a second customer has constructed a 48-inch pipeline to transport POL from Mundra Port to Bahadurgarh, near Delhi. A third customer has constructed a pipeline to transport crude oil from Mundra Port to its refinery at Bhatinda, Punjab.

- *Airstrip*. We have constructed and operate a three kilometer airstrip within Mundra Port, which currently handles private passenger planes. Customers within the Mundra SEZ and the neighboring hinterlands currently use the facility.

Dry Bulk Cargo Terminal at Dahej Port, Dahej, Gujarat

At Dahej Port, we have developed and operate and maintain a dry bulk cargo terminal, where we commenced dry bulk cargo services in 2011.

The berths at the terminal are equipped with four mobile harbor cranes and equipment capable of handling cargo, including a rapid load system, conveyor systems, mooring winches and stacker cum reclaimers. We also own and operate two tugs, which are capable of stevedoring capesize vessels.

Dahej Port is close to a cluster of chemical, textile, industrial and agricultural manufacturing facilities and power plants. Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Dahej**
Cargo type	Coal and other dry bulk
Draft	14 meters
Vessel size	Capesize vessel
Berths	2
Berth length	427 meters
Cranes	4 cranes and 3 stacker reclaimers

Connectivity

Dahej Port is located on the Gulf of Khambat along the Vadodara-Mumbai corridor between southern Gujarat and northern Maharashtra. Dahej Port caters to the dry bulk cargo requirements of the chemical, textile, power generation and agricultural industries of Gujarat, Madhya Pradesh, north and central Maharashtra. Primary cargo handled includes coal, fertilizer, dried oil cake, steel, rock phosphate, silica sand, project cargo and cement. Dahej Port is connected to National Highway 8, which connects Delhi to Mumbai, by an approximately 42 kilometer four-lane road. The Dahej railway station, two kilometers away from Dahej Port, is connected by an approximately 62 kilometer broad gauge railway line to Bharuch, Gujarat, which was recently upgraded by Bharuch Dahej Railway Corporation Limited, in which Adani Dahej holds a 10.5% equity stake.

Concession Agreement

We hold 74.0% equity shareholding in Adani Dahej, a joint venture between us and Petronet LNG Limited (26.0% equity shareholder in Adani Dahej) through a joint venture agreement dated April 28, 2008. Pursuant to a sub-concession agreement, dated January 3, 2007, between Adani Dahej, Petronet LNG Limited and the GMB, Adani Dahej has the exclusive right to develop the terminal on a build-own-operate-transfer basis until December 19, 2035.

Pursuant to this agreement, Adani Dahej must pay a monthly waterfront royalty per tonne of cargo handled at the terminal. Adani Dahej is entitled to fix and collect fees for services provided under the agreement in accordance with applicable laws. Adani Dahej has also entered into a lease and possession agreement dated May 30, 2013 for the use of the land at the terminal and pays a quarterly rental, escalating at 10% every three years.

Multi-purpose Terminal and Cargo Terminal at Hazira Port, Hazira, Gujarat (Operational)

We have developed and, in February 2013, commenced operations of a multi-purpose terminal and a container cargo terminal at Hazira Port, where we provide port services for dry and liquid bulk and container cargo.

Hazira Port is in close proximity to Dahej Port, and, unlike our facilities at Dahej Port, which handle only dry bulk cargo, handles liquid bulk cargo and container cargo. We intend for our terminals at Hazira Port to complement Dahej Port, allowing us to provide a multi-cargo port service to the hinterlands in central and southern India. Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Hazira**
Cargo type	Multi-cargo
Draft	14 meters
Vessel size	Capesize vessel, 8,500 TEUs
Berths	6
Berth length	1,858 meters
Crane	4 cranes, 6 RMQs and 14 RTGs

Connectivity

Hazira Port is situated 22 kilometers from Surat, Gujarat, in an industrial zone with industries such as textiles, diamond, oil, gas, petrochemicals, steel, shipbuilding, fertilizer and heavy engineering. National Highway 6 is a two-lane road that originates at Hazira Port and connects to National Highway 8. Surat is located on the broad gauge double-track rail route between Delhi and Mumbai. Hazira Port is also serviced by an airport at Surat.

Bulk and General Cargo Terminal Agreement

Through our wholly-owned Subsidiary, Adani Hazira, we have the right to develop, construct, operate and maintain a multi-purpose terminal, container terminal and related infrastructure at Hazira Port for a period consistent with the term of the concession agreement dated April 22, 2002, entered into between GMB, Hazira Port Private Limited and Government of Gujarat. Adani Hazira, a sub-concessionaire, is operating the terminal pursuant to a bulk and general cargo terminal agreement, dated November 25, 2010, with the GMB and Hazira Port Private Limited ("**HPPL**"), which is the concessionaire. Pursuant to the bulk and general cargo terminal agreement, Adani Hazira is required to design, develop, own, operate and maintain the bulk and general cargo terminal, handling facilities, equipment, machinery and other related infrastructure. Adani Hazira is required to obtain prior consent of GMB, HPPL and the Government of Gujarat for change in management, ownership or merger. Pursuant to this agreement, Adani Hazira will receive port fees of U.S.$9.3 million per year for the first 10 years from the licensor from the date of commencement of operations as defined in the Bulk and General Cargo Terminal Agreement. Thereafter, Adani Hazira will pay 3.0% of its gross revenue from this terminal to HPPL. Adani Hazira is entitled to fix and collect fees for services provided under this agreement in accordance with applicable laws. Adani Hazira also entered into a sub-lease agreement with HPPL dated October 15, 2012, along with a supplemental agreement dated November 11, 2014.

Coal Handling Terminal at Murmugao Port, Vasco da Gama, Goa (Operational)

We have developed a coal handling terminal at Murmugao Port, and cargo handling operations commenced in July 2014.

Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Murmugao**
Cargo type	Coal
Draft	14 meters
Vessel size	Panamax
Berths	1
Berth length	300 meters
Cranes	2 cranes and 1 stacker and reclaimer

The terminal has one berth capable of accommodating vessels of up to 100,000 DWT and is equipped with two cranes, a stacker reclaimer, a truck loading system, a 2.6 kilometer conveyor system and a wagon loading system. The board of trustees for Murmugao Port will provide access to, and maintain, all infrastructure, facilities and utilities at Murmugao Port, and provide for supporting project infrastructure, grant approvals and consents, and maintain the required dredged depths in the inner harbor, entrance channel and turning basin.

Connectivity

Murmugao Port is situated on an open natural harbor at the mouth of the Zuari River in Goa and is expected to primarily cater to the coal demand of nearby steel manufacturers and power plants. Murmugao Port is connected to Goa by a four-lane road. Two national highways connect Goa and other Indian states. National Highway 17 provides connectivity with Maharashtra and Karnataka, and National Highway 4A provides connectivity through Karnataka to the east coast of India. Murmugao Port is connected by an approximately three kilometer broad gauge railway line with the Vasco da Gama railway station in Goa. Goa is in turn connected with neighboring states by railways operated by south central railways and Konkan railways, which provide north-south and east-west connectivity, respectively.

Concession Agreement

Adani Murmugao is a wholly-owned subsidiary of our Company. The coal handling berth is 300 meters long with mechanized handling and back-up facilities, and commenced handling cargo in July 2014. Pursuant to a concession agreement dated September 22, 2009 with Murmugao Port Trust, Adani Murmugao developed the berth on a design, build, finance, operate and transfer basis until May 15, 2040.

Pursuant to this concession agreement, Adani Murmugao must pay 20.0% of its gross revenue from tariffs collected in accordance with this concession agreement to Murmugao Port Trust as royalty. The tariffs are calculated on a monthly basis and levied in accordance with the notifications by the TAMP, which specifies the maximum levy. Under the terms of this concession agreement, Adani Murmugao:

- is required to secure business for a minimum guaranteed cargo of 0.8 mmtpa for the first year from date of commercial operation, 1.1 mmtpa for the second year, 1.4 mmtpa for the third year;
- 1.7 for the fourth year and 2.0 mmtpa for the remainder of the concession period;
- will pay an annual license fee in accordance with the scale of rates of Murmugao Port Trust with an annual escalation of 2.0%, subject to notification by the TAMP, thereafter; and
- will pay and additional pension levy of 7%, subject to revision by TAMP or any other authority.

Coal Handling Terminal at Vizag Port, Visakhapatnam, Andhra Pradesh (Operational)

We have developed and commenced operations of a coal handling terminal at Vizag Port in July 2014 where we provide port services for coal cargo.

Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Vizag**
Cargo type	Coal
Draft	15 meters
Vessel size	Panamax
Berths	1
Berth length	280 meters
Cranes	2 cranes and 2 stacker and reclaimers

The terminal has mechanized coal handling facilities, coal handling machinery and equipment, infrastructure to evacuate coal by railway, a coal storage yard, two cranes, two stacker reclaimers and a 2.1 kilometer conveyor. Vizag Port is located close to local industries and power plants in Andhra Pradesh and Odisha.

Concession Agreement

Through our wholly-owned Subsidiary, Adani Vizag, we have the right to design, build, finance, operate and transfer the coal handling terminal and related facilities at Vizag Port until August 7, 2042, pursuant to a concession agreement dated August 1, 2011 with the Board of Trustees for the Visakhapatnam Port (the "**Vizag Port Trust**"). Pursuant to this concession agreement, Adani Vizag must pay 40.3% of its gross revenue from the tariffs collected in accordance with this concession agreement to Vizag Port Trust as royalty. The tariffs are calculated on a monthly basis and levied in accordance with the notifications by the TAMP, which specifies the maximum levy. Under the terms of this concession agreement, Adani Vizag is required to:

- Secure business for a minimum guaranteed cargo of 1.6 mmtpa for the first three years from date of commercial operation, 2.6 mmtpa for the fourth and fifth years and 3.9 mmtpa for the rest of the concession period; and

- Pay a license fee of ₹18.9 million for the first year after entering into the concession agreement and an amount escalating at 2% per year thereafter.

The Board of Trustees for the Visakhapatnam Port will provide access to all infrastructure, facilities and utilities at the port, maintain general port infrastructure and provide for supporting project infrastructure, grant approvals and consents, and maintain the required dredged depths in the inner harbor, entrance channel and turning basin. As a part of our strategy, we have been focusing on operating ports which have ready accessibility to large vessels. Currently, the inner harbor of Vizag Port does not have ready accessibility to large vessels.

Multi-purpose Terminal at Dhamra Port, Odisha (Operational)

Following our acquisition of Dhamra Port on June 23, 2014, we operate and maintain a dry bulk cargo terminal at Dhamra Port. The berths at the terminal are equipped with two ship unloaders, one loader, two wagon tipplers, four stacker cum reclaimers, one reclaimer, two wagon loading silos with rapid loading systems, an in motion weighbridge and conveyor systems with associated equipment and utilities. Three tugs are being operated by TAHSL so as to provide towage services at Dhamra Port.

In Fiscal Year 2020, the average turnaround time of handling cargo at Dhamra Port was 2.64 days and the average pre-berthing detention time was 2.91 days over the same period.

Dhamra Port, being the only port between the ports at Paradip and Haldia, is well located to benefit from the resource rich hinterland of Odisha, Jharkhand and West Bengal. Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Dry Bulk Terminal at Dhamra Port**
Cargo type	Dry Bulk
Draft	17.5 meters
Vessel size	Capesize vessel
Berths	4
Berth length	1,548 meters
Ship unloaders	8 cranes, 9 stackers and reclaimers

Connectivity

Dhamra Port is located in Odisha on the east coast of India. The port is well protected from the forces of waves and currents of the ocean by a group of barrier islands. A 63 kilometer road connects Dhamra Port to Bhadrak. Vasudevpur is the nearest town to Dhamra Port, which is located on National Highway 5, connecting Chennai and Kolkata. The south eastern railway line serves the coastal location in Odisha. The nearest railway station to Dhamra Port on the Chennai-Howrah broad gauge main line is Bhadrak. Dhamra Port also has a 125 meter wide corridor available for further evacuation infrastructure development.

Concession Agreement

The concession was awarded by the Government of Odisha under an agreement dated April 2, 1998. The duration of the concession period is 34 years, which includes a period of four years for construction, and ends 34 years from August 30, 2008. The lease period which is contiguous with the concession period. The lease period may be renewed or extended by the government of Odisha for two additional periods of 10 years each.

Dhamra Port shall share 5% of its gross income from years one to five, 8% of its gross income from years six to 10, 10% of its gross income from years 11 to 15, and 12% of its gross income from year 16 to the end of the lease period with the government of Odisha (where gross income is determined in the manner specified in the concession agreement). The lease charges payable shall be 6% of the fair market value, as on the date of notification, subject to escalation at 10% every three years.

Dry Bulk Cargo Terminal at Kandla Port, near Gandhidham, Gujarat

We have developed and commenced operations of a dry bulk cargo terminal at Kandla Port in February 2015 where we provide dry bulk cargo services at four berths.

Road and rail connectivity of Kandla Port to Gandhidham, Gujarat area are being utilized.

Concession Agreement

Adani Kandla is a wholly-owned subsidiary of our Company, through which we have the right to build, operate and transfer a dry bulk cargo terminal near Tuna, at Kandla Port, which is adjacent to Kandla Port near Gandhidham, Gujarat. Adani Kandla is developing the terminal pursuant to a concession agreement, dated June 27, 2012, with the Board of Trustees for Kandla Port Trust (the "**Kandla Port Trust**") until December 18, 2042. Pursuant to this concession agreement, Adani Kandla must pay 25.1% of its gross revenue from the provision of tariffs in accordance with this concession agreement to Kandla Port Trust. The tariffs are calculated on a monthly basis and levied in accordance with the notifications by the TAMP, which specifies the maximum levy. Under the terms of this concession agreement, Adani Kandla:

- has provided Kandla Port Trust with a performance guarantee for a sum of ₹410 million;
- is required to secure business for a minimum guaranteed cargo of 3.5 mmtpa for the first two years from date of commercial operation, 4.2 mmtpa for the third year, 5.6 mmtpa for the fourth year and 7.0 mmtpa for the rest of the concession period; and
- is required to pay a license fee of ₹88.1 million per year, subject to any revision of the license fee payable in respect of the land use by the TAMP and a royalty of 25.1% of gross revenue.

Kandla Port Trust will provide access to all infrastructure facilities and utilities at the port, maintain general port infrastructure and provide for supporting project infrastructure, grant approvals and consents, and maintain the required dredged depths in the inner harbor, entrance channel and turning basin.

Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Kandla**
Cargo type	Coal and other dry bulk
Draft	16.20 meters
Vessel size	Capesize vessel
Berths	4
Berth length	1,180 meters
Cranes	4 cranes

Container Terminal at Ennore Port, Tamil Nadu

Our wholly-owned Subsidiary, Adani Ennore, has been awarded a concession and executed a concession agreement dated March 15, 2014 for the development of a container terminal with a capacity of 1.4 million TEUs at Ennore Port on a design, build, finance, operate and transfer basis for a period of 30 years until 2044. Kamarajar Port Limited will provide access to, and maintain, all infrastructure, facilities and utilities at Ennore Port, and provide for supporting project infrastructure, grant approvals and consents, and maintain the required dredged depths in the inner harbor, entrance channel and turning basin. Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Ennore Port**
Cargo type	Container
Draft	17 meters
Vessel size	> 14,000 TEU vessel
Berths	1
Berth length	400 meters
Cranes	4 RMQC and 12 RTG

Connectivity

Ennore Port is situated approximately 40 kilometers north of Chennai in the state of Tamil Nadu, on the east coast of India. The present connectivity of Ennore Port to three national highways (National Highway 5 connecting Chennai and Kolkata and passing through major cities such as Vijayawada, Visakhapatnam and Cuttack; National Highway 4 linking Chennai and Mumbai passing through Bengaluru and Pune; and National Highway 45 linking Chennai and Madurai and connecting the southern parts of Tamil Nadu) is through the port access road, Tiruvottiyur-Ponnert-Panchetty and the inner ring road. The port is also connected to the southern railway network at Attipattu and Attipattu Pudhunagar railway stations.

Concession Agreement

The container terminal has two berths with an aggregate length of 400 meters in total with mechanized handling and back-up facilities. Pursuant to a concession agreement dated March 15, 2014 with Kamarajar Port Limited, Adani Ennore must pay 37.0% of gross revenues chargeable by Adani Ennore to Kamarajar Port Limited. The tariffs are calculated on a monthly basis and levied in accordance with the TAMP notifications. The term of this concession agreement is 30 years from October 20, 2014.

Kattupalli Port, Tamil Nadu

On June 27, 2018, our Company entered into a share purchase agreement for the strategic acquisition of the port business at Kattupalli Port of L&T Shipbuilding Limited, a subsidiary of Larsen & Toubro Limited. Kattupalli port is a Non-Major Port situated at Kattupalli village, Ponneri Taluk, Tiruvallur, Tamil Nadu.

Details of the infrastructure and layout of the terminal are set out below:

Particulars	**Terminal at Kattupalli Port**
Cargo type	Multi-cargo
Draft	15 meters
Vessel size	> 10,000 TEU vessel
Berths	3
Berth length	710 meters
Cranes	6 RMQC and 15 RTG

Connectivity

Kattupalli Port is situated approximately 40 kilometers north of Chennai in the state of Tamil Nadu, on the east coast of India. Kattupalli Port is connected to three national highways (National Highway 5 connecting Chennai and Kolkata and passing through major cities such as Vijayawada, Visakhapatnam and Cuttack; National Highway 4 linking Chennai and Mumbai, and passing through Bengaluru and Pune; and National Highway 45 linking Chennai and Madurai and connecting the southern parts of Tamil Nadu) through the port access road, Tiruvottiyur-Ponneri-Panchetty and the inner ring road. The port is also connected to the southern railway network at Attipattu and Attipattu Pudhunagar railway stations.

Operations and Maintenance Agreement

The port has permission to handle multi-user specific and multi-commercial cargo on a build own operate and share basis. Since AKPL commenced operations at Kattupalli Port on November 1, 2015, the cargo volumes handled increased significantly.

Multi-purpose Terminal at Vizhinjam Port, Kerala

Our wholly-owned Subsidiary, Adani Vizhinjam, has been awarded a concession and executed a concession agreement dated August 17, 2015 for the development of a multi-purpose international deep-water seaport at Vizhinjam on a design, build, finance, operate and transfer basis for a period of 40 years until 2055. The concession is extendable by another 20 years until 2075, subject to certain terms and conditions specified in the aforementioned concession agreement.

Vizhinjam is envisaged as an all-weather, multicargo port and is located in the Indian state of Kerala, 16 kilometers south of the state capital, Thiruvananthapuram. The port location was selected to tap the potential of development of a deep water international container transshipment port. The proposed site is on the international shipping route connecting Europe, the Persian Gulf and the Far East, very close to the east-west shipping axis within 10 nautical miles.

Details of the infrastructure and layout of the proposed port are set out below:

Particulars	**Terminal at Vizhinjam Port**
Cargo type	Multi-cargo
Draft	18-20 meters
Vessel size	Up to 18,000 TEU vessels
Berths	2
Berth length	800 meters

Connectivity

The port will have excellent road connectivity from National Highway 47. Around 95% of the cargo will be moved by road as the primary hinterland is within a radius of 300 kilometers. The port is also expected to be connected by a rail link.

Concession Agreement

The port will have two berths with an aggregate length of 800 meters as part of Phase 1 of the project, with mechanized handling and back-up facilities. There is scope for further extension up to six berths with total length of up to 2,400 meters. Pursuant to the concession agreement dated August 17, 2015 with the government of Kerala, Adani Vizhinjam must pay 1% of all fees realizable under the concession agreement from the 16th year of operation chargeable by Adani Vizhinjam to the government of Kerala. The revenue share as percentage of gross revenue will increase by 1% every year thereafter subject to a maximum share of 40% of all fees realizable under the concession agreement.

Logistics Services

We provide integrated logistics infrastructure and end-to-end services to our customers through our wholly owned subsidiary, Adani Logistics. The scope of logistics services varies based on each customer's needs and requirements. We currently operate five logistics parks and 56 rakes which increased from four logistics parks and 20 rakes in Fiscal Year 2019.

We secured an all-India license to manage container train operations through the Indian Railways, pursuant to a concession agreement dated January 4, 2007 between Adani Logistics and Indian Railways. Under this concession agreement, Indian Railways uses locomotives to haul our trains of container cars on a non-discriminatory and non-exclusive basis.

The business operates rail tracks as part of its Port infrastructure facilities. Considering Government initiatives for the privatization of rail networks, dedicated freight corridors and infrastructure development, the Adani Group is in the process of consolidating its rail track assets into a separate logistics business and driving further its organic and inorganic growth. In order to provide pan-India, multi-model-logistics services, we have developed logistics parks for providing ground handling services, including aggregation, warehousing at bonded, general and Free Trade and Warehousing Zones, holding cargo, inspection, custom bonding, stuffing/de-stuffing EXIM and domestic cargo, and loading/unloading onto railway wagons. With a renewed push on dedicated freight corridors, we continue to focus on expanding our footprint in multimodal logistics parks and continue to look for growth opportunities in industrial clusters in Tier 1 and Tier 2 cities in India.

We operate in grain silos, inland waterways and air freight station logistics businesses. As of March 31, 2020, our inland infrastructure includes:

- 56 freight trains, of which we have 39 container trains; nine general purpose trains for bulk cargo under the Wagon Investment Scheme launched by the Indian Railways in 2018; one auto freight train; and seven grain trains. These trains facilitate movement of bulk cargo between our ports and customers' premises;

- five rail-linked logistics parks or ICDs at Patli Haryana; Kishangarh Rajasthan; Kila Raipur, Punjab; Kanech, Punjab; and Malur, Karnataka;

- Container Train Operator and Auto Freight Train Operator licenses; and

- affiliated infrastructure and equipment.

Adani Logistics formed a joint venture with NYK Auto Logistics (India) Private Limited to provide transportation services to automobile manufacturers on the Indian railway network. Consequently, we started operations of our auto train in December 2019.

We recently acquired Agri Logistics from Adani Enterprises Limited in 2019, to expand our capabilities of handling, storage and transportation of food grains. Adani Agri primarily provides services to the Food Corporation of India, Punjab Grain Procurement Corporation Limited and Madhya Pradesh Warehousing and Logistics Corporation under service agreements.

Through Agri Logistics, we operate 14 base and field depots across India, of which eight are connected through the Indian railways. We operate seven trains specially designed to transport grain between these base and field depots.

We have two base depots in Moga and Kaithal with a silo storage capacity of 200,000 metric tonnes each, five field depots in Hooghly, Chennai, Coimbatore, Kothapura and Bangalore with a silo storage capacity of 25,000 metric tons each and one field depot in Navi Mumbai with a silo storage capacity of 50,000 metric tonnes. We also have six field depots in Madhya Pradesh with a silo storage capacity of 50,000 metric tons each. We have eight more depots under construction, which will add another 400,000 metric tonnes of silo storage capacity.

Our total terminal capacity increased from 400,000 TEUs in Fiscal Year 2019 to 500,000 TEUs in Fiscal Year 2020 and our terminal volumes increased from 242,868 TEUs in Fiscal Year 2019 to 334,851 TEUs in Fiscal Year 2020. We currently have 8 barges and our rail volumes increased from 150,942 TEUs in Fiscal Year 2019 to 325,067 in Fiscal Year 2020. Our total warehousing capacity remained consistent at 400,000 square feet in Fiscal Years 2019 and 2020.

Competition

We compete primarily against Non-Major Ports and Major Ports of India. Competition is based primarily on the characteristics and location of the ports, including capacity, congestion, ability to berth large vessels, proximity and connectivity to inland cargo centers and refineries. We believe that our key competitive advantages are our infrastructure, cost advantage relative to other ports in the region, port characteristics such as deep drafts, longer and larger berths, dedicated and expandable back-up areas (i.e. areas for internal movement of cargo), quicker turnaround time, integrated services and connectivity to inland cargo centers and our ability to attract and retain highly experienced employees.

Sales and Marketing

We prepare and implement a comprehensive sales and marketing plan. The primary purpose of our sales and marketing plan is to promote our port services business and to develop a better understanding of the needs and requirements of our customers. We are focused particularly on securing long-term contractual arrangements and pursuing strategic relationships with our customers.

Our sales and marketing teams are organized to handle existing customer relationships, new customer sales, corporate marketing and strategic partnerships. These teams are based at the ports and at important business centers, such as Mumbai and Delhi, where port users' decision makers are based. These teams are supported by service and cargo experts who create or customize service offerings to address specific customer needs, as well as a team of sales support professionals. Our sales teams work together with the relevant service or cargo experts and our sales support team to pursue prospective customers.

Information Technology and Computer Systems

We believe that information technology and digital services plays an important role to enable efficient operations. We serve our customers through state-of-the-art technologies, competitive infrastructure coupled with a high level of automation. We have implemented industry and trade specific software to extract real-time information at each of our facilities providing port services, which we further provide to our customers. We believe that through advanced technology, we will be able to maximize our efficiency, optimize costs and improve performance. We harness technology for all stages of project execution such as bidding, design, project management, operations, collaborations and closing.

Technology in operations:

Our technologies aim at integrating various workflow platforms, for internal and external stakeholders, through automation. Our operations are supported by state of the art technologies, such as the SMART Port technologies, which are based on automation, big-data analytics, internet of things and robotics. Through this, we are able to manage and integrate workflow platforms, offer real-time updates to our customers and improve efficiency of our operations.

We use technology for our port operations such as ocean ship scheduling, port schedule, port arrival/ departure monitoring, ship tracking and data analysis. We have also implemented ACTOS and IPMS systems at our container terminals, which is used widely by container terminal operators and tracks container terminal operations in real-time through each stage of transit. For our automobile handling facility, we have implemented KARTOS, which is a car terminal operating system that streamlines processes related to vessel and yard operation, documentation, yard planning and billing.

Our strategy is to introduce latest technologies into our systems and processes thereby increasing efficiency. We have initiated projects such as Rail Planning and Process Automation, Online Fleet Management System, Smart Port Community System and Fuel Management System. These initiatives are based on data analytics and artificial intelligence at our ports and logistic parks to enhance our performing efficiency and enable us to provide customer centric solutions.

For end-to-end logistics, a command and control center and an integrated technology platform is being planned to provide us with complete visibility of workflow, control and optimization capabilities. We are implementing scalable architecture that facilitates flow of information across man, machine and applications to leverage emerging technologies like internet of things, cloud, big data, analytics, mobility and information security for robust operations.

We also strive to work towards mitigating environmental impact while growing profitability, performance and sustaining positive community relationship. Technologies are being used to make our port "green" by minimizing congestion, pollution, emissions and more. Spatial technology is being used to streamline workflows through visualization and analysis of port information to make it easier to manage new dredging and development.

All of these, and our other software platforms are integrated through an enterprise resource planning software, which caters to back-office operations, including finance, costing, material and inventory management, maintenance, quality and sales.

Technology for customers and for resource planning:

We also use data analytics for our operations. We utilize various information technology tools such as Adani Port Management System ("**APMS**"), SAP and Mercury amongst others. With these tools we are also able to visualize the entire cargo value-chain along with productivity of each component on a real time basis, which we believe increases efficiency, ensures cost optimization and increases productivity.

Through our mobile web-based application, 'Vessel Cargo Tracking', customers are able to check and monitor vessels and cargo status, browse ocean shopping schedule and port schedule through their mobile phone. We are also able to provide real-time SMS updates on weather. APMS, through the Integrated Port Operations System ("**iPOS**") software, tracks port operations in real-time and allows customers, including cargo owners and shipping companies, track cargo, review charges and receive and exchange electronic data and transaction services.

We consider data privacy and security a critical component of our operations. We have implemented stringent measures with respect to data privacy and security at all our facilities.



Employees

We had 2,342 full-time employees as at September 30, 2020. The following table sets out our employee headcount by general job function for the periods indicated:

	As at March 31,			September 30,
	2018	**2019**	**2020**	**2020**
Chairman	1	1	1	1
Corporate secretary division	4	5	5	5
Operations	1,212	1,319	1,426	1,431
Finance and Corporate Secretarial	134	147	156	158
Corporate support	544	578	635	616
Sales & Business Development	95	102	125	131
Total	**1,990**	**2,152**	**2,348**	**2,342**

For discrete assignments, we also work with employment agencies to employ contractors, the number of which varies depending on the extent and nature of the assignment.

We offer our employees ongoing training through the Adani Management and Development Center with programs on port operations, planning, corporate etiquette, soft skills and management. We also conduct on-site training sessions across our facilities to develop and improve specific skill sets of our employees. As at March 31, 2020, we provided approximately 43,658 man hours of training to our employees and workforce. We had a low employee attrition rate of 4.00% in Fiscal Year 2020 and few workplace injuries.

Our employees are not unionized and we believe our relations with our employees are good.

Properties and Offices

Our Registered and Corporate Office is located at Adani Corporate House, Shantigram, near Vaishnodevi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India.

We have entered into a leave and license agreement dated September 30, 2016, with Adani Properties Private Limited to use this property for a period of 20 years.

The majority of our properties and assets, including leasehold land and rights within port limits and along the railroad corridor, are located at Mundra, including the port and surrounding area.

We hold leasehold rights over 3,404.4 acres at Mundra Port pursuant to a lease and possession agreement dated September 28, 2000 with the GMB for a period of 30 years. Pursuant to this lease and possession agreement, the initial lease rent payable was ₹2.4 million per year, with an increase of 20.0% every three years.

We have also acquired other land and have taken on leases around Mundra Port from different parties, including the government of Gujarat, some of which land we use for the Mundra SEZ. Further, we have acquired 265 acres of land at Kattupali Port and hold leasehold rights over 1,632 acres of land at Dhamra Port and 3,866 acres of land at Krishnapattnam Port.

Insurance

We are covered by insurance policies for losses suffered by us, our customers and third parties caused by accidents, fire, floods, riots, strikes and malicious damage. These insurance policies include coverage for damage to our port facilities, equipment, machinery, buildings and other properties. We believe that our properties are covered with adequate insurance and with commercially reasonable deductibles and limits on coverage, which are normal for the type and location of the assets and properties to which they relate.

We strive to create economic and social value for our customers, communities and neighbouring industrial complexes through our business model. Operating at a junction of ecologically sensitive zones, including the Indian coastlines, we have inherent risks of causing environmental damage to the surrounding land and ecosystem. We believe that environmental impacts are synonymous to climate change and have long-term implications on our business. We believe that it makes business sense to reduce our risk by planning for and mitigating climate change related impacts, adapting to environmental situations and becoming a climate-resilient ports and logistics services company. As a strategic interest, we ensure that all environmental impacts are managed in a responsible manner throughout the value chain of our port services – from port development to operations.

In this regard, we make regular disclosures in CDP Climate Change & Water Security and Dow Jones Sustainability Indices ("**DJSI**"). We are a signatory to the FSB Task Force on Climate-related Financial Disclosures ("**TCFD**") and the SBTi. We are a member of the United Nations Global Compact ("**UNGC**") and also endorsed the CEO Water Mandate. We focus on water neutrality through the efficient use of water. We also undertake research and development for developing our operations using low carbon technology and actively engage in biodiversity management and conservation. We also endeavor to source energy from cleaner sources to reduce emission levels.

Based on the SAM Corporate Sustainability Assessment score card 2020 by Dow Jones Sustainability Emerging Markets Index, we rank 14th in the transportation and transportation infrastructure sector. We are the only company ranked from the transportation and transportation infrastructure sector in India and we have been selected as an index component of the DJSI.

We received a 'B-' score as per the Carbon Disclosure Project score on climate change for 2020. This is a substantial improvement over 2019's CDP score of 'C'. A score of 'B-' signifies that APSEZ is taking coordinated action on climate issues. Additionally, in the category of Water Security, APSEZ received a 'B' score which is also in the Management band. APSEZ's CDP score in the Water Security category is at par with the average scores of other companies in the Asia region and globally.

We are among the top 30 companies ranked as the most sustainable companies in India by BW Businessworld with a rating of "A". We have been ranked 19th in the Responsible Business Rankings among India's Top Companies for Sustainability and CSR in 2020 by Futurescape. We have also improved our Sustainalytics' ESG Risk Rating from a 'medium' band to a 'low band'. We have a CCC ESG rating from MSCI.

Health, Safety and Security

We have implemented work safety measures to ensure a safe working environment at our facilities and to the general public. Each facility has its own work safety management department that monitors and ensures compliance with the health and safety of the facility. We have also established a committee for work safety which sets safety standards, including procedures for loading and unloading cargo, handling dangerous cargo, warehousing, firefighting and berthing and de-berthing. We also have firefighting equipment, including two mobile firefighting units and ambulances and an experienced firefighting crew. We recorded 27 workplace injuries in Fiscal Year 2020. However, we also recorded five fatalities at our facilities during the same period.

Quality, health, safety and environmental responsibilities are integrated to our operations of our Company. We have obtained ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 certifications specifying the requirements for an integrated management system as part of its objective to improve quality, health, safety and environment at the workplace.

We have a dedicated risk and compliance team that designs internal control procedures and ensures that these procedures adhere to statutory regulations and our third-party contracts. We also conduct periodic internal audits of our internal control procedures, including over physical inventory, security systems and billing systems. Our internal control procedures include the separation of powers between our Board of Directors and senior management.

We have online processes to report incidents such as near-miss incidents or accidents, injuries, illnesses, spills, releases, property damage and other such events that occur while working at our sites or at customers' sites, ensuring incidents are identified, reported, investigated and communicated to prevent recurrence. GENSUITE, an online platform, enables employees to get involved in reporting of safety observations, near misses and accidents, thereby enhancing our behavioral based safety culture. Any employee or associate including contractors can report a concern using android or iOS-based phones. Through our management approach, we continue to minimize severity of injury and focus on preventing all injuries to enable our desired culture of employee wellbeing.

Environmental Compliance and Eco-friendly Initiatives

We have a dedicated environmental compliance team, which also undertakes eco-friendly initiatives, including for energy efficiency at Mundra Port, a diesel emission reduction program, an alternative fuel program and the use of new technologies to reduce emissions. We intend to continue developing our services and solutions by following sustainable growth strategies. Among others, we intend to focus on preserving the environment and measure greenhouse emissions.

Biodiversity and land use

We have also undertaken afforestation projects and have developed and maintain a green zone near Mundra Port. The mangrove biodiversity enrichment project in and around our ports aim to introduce select mangrove species on a pilot scale in suitable coastal belts and assess their survival. The project is currently in its initial stages of establishing nurseries and sowing seeds of several species. These nurseries have been developed in tidal flats near the village of Luni Kutch, Gujarat.

We are committed towards the conservation and restoration of mangrove systems near our port locations. We have completed mangrove afforestation in 2,889 hectares by planting more than 1.1 million trees and we are continuing mangrove conservation of 2,340 hectares at Mundra, Gujarat and nine hectares at Dhamra, Odisha. We have also created a terrestrial green cover over an area of 745 hectares across all ports, ICDs and logistics sites. A unique pilot project of development of bio-shield for protection of coastal areas has been completed at Tankari village Jambusar, Gujarat and a new bio-shield project has been initiated at Malpur village, Jambusar, Gujarat.

We signed the India Business and Biodiversity Initiative declaration to act responsibly in several biodiversity areas such as target setting, inclusion in management systems, and engagement with stakeholders.

We have received a few awards for our sustainable operations. For example, in 2018, the Mundra port was awarded the Golden Peacock Award for environment management, the Natural Capital Award for zero waste to landfill, the Exceed Award — Ek Kaam Desh Ke Naam for environmental management and the Gujarat State CSR award for sustainable and impactful CSR project. The Dahej port was awarded the Occupational Safety and Health Award India award for safety management. The Dhamra port was awarded the Ek Kaam Desh Ke Naam award for environmental management and the Kattupalli port was awarded the Ek Kaam Desh Ke Naam Award in the platinum category for energy conservation.

Waste management

We have a 'Zero Waste' vision under which we have implemented initiatives to handle hazardous and non-hazardous waste at all our operating sites. We follow the '5R principles' for waste management, which include Reduce, Reuse, Reprocess, Recycle and Recover, and have managed 94% of our waste through this principle. We achieved 'Zero Waste to Landfill' at Mundra port in consecutive year in line with our vision

to be a 'Zero Waste Company'. In Fiscal Year 2020, we have generated 649 metric tonnes of hazardous and 5,069 metric tonnes of non-hazardous waste. No hazardous waste was sent to the landfilling site for incineration. In Fiscal Year 2020, our waste intensity per revenue has improved by 26% as compared to Fiscal Year 2019. Deviating from the conventional approach of waste management, we embraced the concept of 'closed loop' considering waste as resource. Through this concept, we encourage waste management activities to be guided by four major goals under the Zero Waste Initiative — zero waste to landfill, zero incineration, zero unauthorized waste disposal, zero liquid discharge. We have also institutionalized a 'Oil Spill Action Plan' at our Mundra port which complies with the guidelines issued by the National Oil Spill Disaster Contingency Plan ("**NOS-DCP**") and International Petroleum Industry Environmental Conservation Association ("**IPIECA**"). In Fiscal Year 2020, Mundra Port was awarded a 'Zero Waste Port' certificate by Libero Assurance. We also produced 13m^3/day of biogas in Fiscal Year 2020 and produced 620 kg per day of manure which we use for our operations. We created a sewage collection infrastructure at Mundra and at neighboring villages. We also connected the villages to our treatment facilities and treated 2.5 MLD of untreated sewage water in Fiscal Year 2020.

We have started a few initiatives for waste management, which include building a biogas plant at our ports to convert waste to energy, an organic waste converter to leverage the use of organic waste for our operations and an oil separator for water conservation.

Climate change and transition to renewable energy

We have also begun the process of considering the potential risks of physical climate change on our business. These physical impacts may include extreme weather events (droughts, floods, cyclone and others) and rise in sea level. We are considering ways to ensure that our business is robust and resilient in response to a range of realistic scenarios. It is an important element of our relationship with local communities and we ensure that they have the resources they need to thrive.

We report climate performance through annual disclosure to the CDP, which outlines the steps we are taking to manage climate risks and opportunities as well as our ongoing commitment to climate-related disclosures. We are taking a phased approach to implementing climate change related recommendations, aiming to integrate them over time. We have improved our CDP Climate Change score from a 'C+' in 2019 to a 'B-' in 2020 disclosure cycle.

We are investing in renewable energy projects. This strategic decision will help us in transitioning to low carbon-future and pave the way for setting leadership standards among peer companies. As at March 31, 2020, 3.3% of our total energy needs are met through renewable energy, with a further aim of increasing this to 25% by 2025. Tuna port is already demonstrating leadership on this front with 37% of its energy being powered through wind turbines. Further, during Fiscal Year 2019, we installed 4 MW capacity of solar panels at Mundra, 3.6 MW at Hazira and 1 MW at Dahej.

In Fiscal Year 2020, we have commissioned 4.32 MW Solar PV (photovoltaic system) plants on roof tops at various locations at Mundra, which will generate green energy of 6.80 million units annually and avoids 10150 tCO_2e. In FY21, we are going commission a total of 2.1 MW solar panels which have capacity to generate 3.03 Million units annually and avoid 2500 tCO_2e. 7.80 MW solar panels have been installed on roof tops at various locations at Mundra, which have capacity to generate green energy of 12.17 million units annually. We are in the process of installing 1.10 MW Solar roof top panels at various locations at Mundra. We have generated 5.78 million units green energy from solar PV plants during Fiscal Year 2020 for captive consumption which has potential to generate 12.17 million units annually. We have distributed 50.36 million units grid energy generated from wind generators of 12 MW in SEZ area through electricity distribution network of MPSEZ Utilities Ltd. (Power Distribution Licensee), a subsidiary of the Company.

In Fiscal Year 2020, the total energy consumption was 2,046,153 gigajoule, a decrease of 5% from Fiscal Year 2019. Though cargo output increased, we were able to reduce energy intensity to 149 gigajoule/Revenue from 175 gigajoule/Revenue in Fiscal Year 2019. The consolidated energy consumption as a factor of revenue has steadily reduced from 250 gigajoule/Revenue in Fiscal Year 2016 to 149 gigajoule/Revenue in Fiscal Year 2020, except for Fiscal Year 2018, where we saw a substantial decline. This was mainly due to reduced dredging operations in that year which are directly linked to energy consumption.

In line with our goal to build resilience towards climate change and commitment to reduce our impact on the environment, we undertake several measures including process improvements and technology integration. One of the measures is to reduce energy use and carbon emissions, which are fundamental to any corporate environmental programme that is acting on climate change. We accomplish this by improving process efficiencies, investing in electrification of port infrastructure, and setting up renewable energy plants wherever feasible. To ensure sustainable operations, we have converted D-RTG to E-RTG, replaced mechanical operation of coal shifting with conveyor belt and replaced conventional lighting system with energy efficient LEDs. We also reduced fuel consumption for steel coil handling activity by 50% and provided shore power to tug and dredger operations. Our pilot project of LNG driven ITVs has been successfully tested and our pilot project on battery driven tug is in progress. We are looking forward to the fuel shift in trailer operations i.e. from high emitting fuels to hybrid fuels to electronically powered vehicles and then to renewable sourced electric trailers.

Currently we rely on approximately 6% of renewable energy for our operations and plan to increase our dependency on renewable energy, reduce emission intensity, water intensity.

Greenhouse emission

In Fiscal Year 2020, we initiated the comprehensive calculation of Scope 3 greenhouse gas emissions by following the three-step approach.

1. Baseline creation for Scope 3 emission — Identify the activities in the value chain, develop methodology for greenhouse gas Scope 3 emission calculation and create baseline.

2. Emission reduction through pilot projects — Identify opportunity to achieve greenhouse gas reductions at scale in the value chain and set pilot projects.

3. Engagement with value chain partners — Collaborate with our value chain partners, set Scope 3 emission reduction targets and support them to achieve the target.

The total emissions combining Scope 1 and Scope 2 stood at 272,853 tCO2e in Fiscal Year 2020 which reduced by 2% from Fiscal Year 2019. We have reduced our greenhouse gas emissions by 39% since Fiscal Year 2016. We were able to reduce greenhouse gas emission intensity by 12% to 19.87 tCO2e/Revenue. Through renewable energy initiatives 15,320 tCO2e greenhouse gas emission has been avoided. The greenhouse gas emission for fuel consumed by visiting vessels and contracted equipment accounts for 98% of all Scope 3 emissions. The disclosed emissions for transportation, employee commute, business travel and other activities are only a minor share of total Scope 3 emissions.

We have initiated two projects, namely internal carbon pricing and SBTi to set site-specific emission reduction targets.

We have implemented formal programmes with quantitative targets and deadlines to reduce energy and greenhouse gas emissions. We continue to make our services and systems as efficient as possible through engineering technologies, operational efficiencies and employee awareness. Activities include: the improved measurement of fuels and electricity through SIMS, optimising and improving efficiencies in terminal projects, retrofitting lighting with energy efficient LEDs and investing in low-energy alternatives such as installing wind turbines and solar panels besides adopting fuel shift technologies like RTG to E-RTG conversion. Through our energy conservation initiatives in Fiscal Year 2020, including LEDs and renewable energy at various sites, we have managed to avoid 20,456 tCO2e.

Water conservation

Our ports are continuously improving their best practices to reduce the fresh water withdrawal and consumption for their industrial water requirements. We report our water performance through annual disclosures to the CDP, which outlines the steps we are taking to manage and secure the water related risks and opportunities. We have received B score in CDP Water Security which is the highest score in our sector, Asia region and globally. We have also become the part of the United Nations initiative and endorse UN's CEO Water Mandate. During Fiscal Year 2020, we cumulatively consumed 3,952 ML of water, 8%

more than Fiscal Year 2019. We source a majority of our water requirements from other sources of which 38% is sourced directly from the sea. The other 24% of water, which accounts for 935 ML, is sourced from public or private utilities and groundwater. We have reduced our fresh water withdrawal by increasing the share of treated wastewater from other industries from 2% in Fiscal Year 2016 to 21% in Fiscal Year 2020. The water consumption against revenue generated was reduced by 54% from Fiscal Year 2016 to Fiscal Year 2020.

The water availability in the docks is not only important for maintaining coastal habitats, it is also vital for business operations. Water from the docks is used to suppress dust arising from dredging activities, and to clean tanks, workshops and vehicles. Our internal water policy imposes withdrawal and usage standards. We continue to closely monitor the water quality in the docks to keep the impact of port activities on water quality in the sea is as low as possible. We also monitor the bed for disposal of contaminated effluents. After dredging, contaminated dredging are treated and wastewater is reused in activities. Ports such as Mundra, Hazira and Dahej, lie in the medium water stressed regions. In such areas, we use treated wastewater of other industries to the maximum, as guided by our site-specific water plan. We have noted in some areas that salt concentration is high in the sea, which is a clear consequence of low supply of fresh water. We have installed water desalination plants at these locations, which reduces our overall dependence on fresh water.

Disaster management

All our ports and facilities are required to follow a disaster management plan to manage the impact of any natural disasters. The disaster management plan sets out security measures for onboarding the vessels at locations where they are moored. It sets out guidelines and procedures for monitoring and closing the operations in the event of a natural disaster. Port facilities hold a security exercise once every year, which tests the preparation of employees to act at the time of disaster. We maintain insurance coverage to protect us against a broad range of disaster-related security and safety risks, at levels we believe are appropriate and consistent with current industry practice. We maintain insurance coverage to protect us against a broad range of disaster related security and safety risks, at levels we believe are appropriate and consistent with current industry practice.

During an event of disaster such as cyclone, disaster teams comprising of site in charge, safety officer and managers accountable are activated for emergency preparedness, response and investigation. Any potential risks emerging in the aftermath of the disaster is reported to the management via the Sustainability Council and the same is investigated for inclusion in the Risk Management Framework.

Governance

Sustainability governance

Our Sustainability and CSR Committee ("**SCC**") works along with the Risk Management Committee, to oversee our positions and practices in relation to environmental matters. Our cross functional Sustainability Leadership Committee ("**SLC**") is responsible for the execution of strategies, policies and practices on environmental risks including that of climate change through our site-level Sustainability Steering Committee ("**SSC**").

We engage with experts and technology partners to understand how to mitigate our environmental impact and accordingly prepare ports-specific action plans. These plans comply with the ISO 14001:2015 standards and performance is monitored by site-level officers and, at a corporate-level, by officers through a bespoke Sustainability Information Management System ("**SIMS**"). Additionally, we disclose our environmental clearance permissions, including compliance reports and sustainability reports, on our website. We have also developed a 'grievance redressal mechanism' that allows stakeholders to register their grievances online. We have adopted and implemented pollution control measures to comply with applicable regulations and we regularly conduct and analyze environmental impact data, including emissions and waste generation and disposal details. We prepare environment compliance reports on a half-yearly basis, which are submitted to regulatory authorities in India and also uploaded on our website.

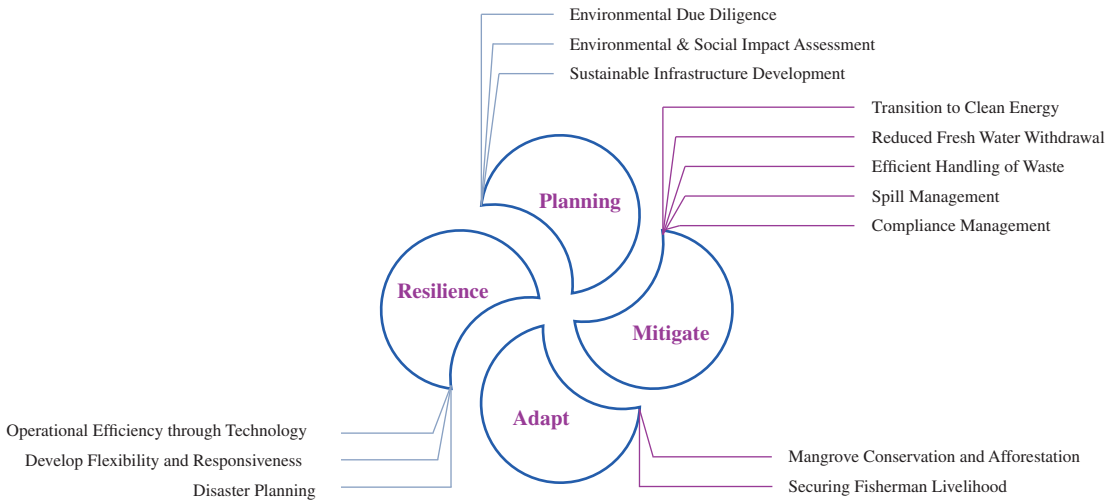
We are annually audited on adherence to environmental regulations, permits and the Environment Management System. Through the Integrated Annual report, website and our specific communications to UNGC and CDP, we make transparent disclosures of our environmental performance.

In Fiscal Year 2020, we implemented EMS across nine ports and two of our ICDs have also been certified with EMS. Through systemic transition activities including trainings, policy review and system transformation, we aligned our Environment Management System to Sustainability Information Management System. This allows us to closely track environmental performance of all our port operations as well as capital investments, expenses, cost savings and avoidance from environmental investments for all.

We strive to ensure compliance with all laws, regulations and policies for our operations. Our internal IT enabled compliance management system: Legatrix, tracks all legal, statutory commitments and apprises the Chief Compliance Officer of any non-conformity. During Fiscal Year 2020, there were no cases of noncompliance and there were no significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations at any of the locations during Fiscal Year 2020.

We also maintain various board policies and recently put in place a policy on related party transactions for acquiring and sale of assets. We also maintain a capital allocation policy under which our aim is to maintain a pre tax internal rate of return of 16% for all new projects. We also aim to set a dividend of 20% to 25% of profit after tax. Our aim is also to maintain an investment grade rating to reduce the cost of capital.

The following diagram highlights the steps we take for our sustainable operations:



Vendor management

We believe that procurement is one of the key levelers that can stimulate local economic development. We perceive this function as a strategic partnership, which derives mutual benefits for both the Company and the vendor/supplier. We work towards implementing innovative measures in procurement and particularly how social and environmental criteria can be embedded in the process. We encourage small and medium local suppliers to bid for various opportunities. Majority of our procurement is from local area and most of our vendors are located in the state from where the respective entity is operating. For example 61% of our vendors and 70% of AHPPL's vendors are located in the state of Gujarat. This has multifold benefits ranging from speed of delivery of services, after sale servicers and reduced cost. As at March 31, 2020 we have 3,394 vendors facilitating us in delivering our services.

We also carry out customer satisfaction survey through deployment of internal resources. The survey is normally conducted on an annual basis and covers feedback of customers across all port business verticals. In Fiscal Year 2020, over 97% of our customers rated our services and good and above.

Corporate Social Responsibility

The Adani Group has established the Adani Foundation, to which we contribute and which strives to fulfil the Adani Group's commitment to the social obligations towards communities, fostering sustainable and integrated development and improving quality of life. The Adani Foundation focuses on developing and implementing programs for underprivileged communities through initiatives in education, women empowerment, community health, community infrastructure development and sustainably livelihood development.

- *COVID-19.* The Adani Foundation has contributed approximately U.S.$13.18 million to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ("**PM CARES Fund**"), the Gujarat CM Relief Fund, the Maharashtra CM Relief Fund and other such funds in India to help India contain the spread of COVID-19. Women cooperatives aided by Adani Saksham produced masks to help economically disadvantaged sections of the population. Our SuPoshan Sanginis led awareness drives for conveying correct handwashing techniques, importance of sanitization and distributed masks made by these women. During the COVID-19 pandemic the Adani Foundation took steps to raise awareness on safe distancing and hygiene. Campaigns were held in Kerala, Chhattisgarh, Odisha and Gujarat, reaching out to people in more than 200 villages. Awareness sessions were conducted, banners were displayed at community places and mobile vehicles were engaged to spread the information on preventive measures. Adani Foundation donated 10,000 PPE kits to the Government of India to safeguard healthcare providers. PPEs, N95 masks and 100 ventilators were provided to the Ahmedabad Municipal Corporation. Personal protection kits were provided for the healthcare workers and doctors at the SVP Hospital in Ahmedabad.

- *Education*. The Adani Foundation focuses on improving the quality of education in public primary schools in India. The Adani Foundation has set up schools in cities and villages in India by adopting a three-pronged approach. It runs Adani Vidya Mandirs — a school for the students coming from an economically challenged background. The Adani Foundation also runs subsidized schools and provides support to government schools. The Adani Foundation also funds several smart learning programs to provide quality education to children in remote areas. It further aids Aanganwadis and Balwaadis, by supporting their infrastructure development, which helps create a fun-filled environment for children. Adani Foundation provided scholarship support to motivate and encourage children from fisher folk families in Mundra, Gujarat, to pursue higher studies. Under this program Adani Foundation provided 100% fee support to girls and 80% fee support to boys as a scholarship to a total of 78 students as of March 31, 2020. In Fiscal Year 2020, over 137 students were provided free education and 530 student scholarships were rolled out.

    - The Adani Vidya Mandirs: currently operational in Ahmedabad, Bhadreshwar (Gujarat), Surguja (Chhattisgarh) and CVR English Medium High School, Krishnapattanam, provide cost-free quality education to 3,078 meritorious students from economically weaker sections of the society. Adani Vidya Mandir in Bhadreshwar, caters to children from the fisherfolk families and the school in Surguja, reaches out to children in tribal communities. All three schools were recognized and appreciated at the recently held Samagra Shiksha Empowering Awards 2020, for their contribution in providing quality and value-based primary education to the underprivileged and realizing their aspirations of studying in quality establishments.

    - Adani-KISS Residential School: The Adani Foundation is committed towards the construction of the school in a tribal district of Odisha, India, with state-of-the-art facilities like an administrative building, academic block, hostels for boys and girls, staff quarters and a dispensary.

- Project Utthan: aims to strengthen three fundamentals of reading, comprehension and writing in students who are lagging academically — these progressive learners are addressed as 'Priya Vidyarthis'. Under this project, the Adani Foundation has adopted government primary schools in Kutch region to aid the teaching-learning experience through support from supplementary teachers called 'Utthan Sahayaks'. With special attention and focus on these 'Priya Vidyarthis', the Foundation hopes to reach as many government school students as possible. As of December 31, 2020, 7,871 students from 51 schools across 27 villages are beneficiaries of this project. It is envisioned that the project will impact more than 14,000 students across 95 schools by the end of Fiscal Year 2021. Following the success of the project in Mundra (Gujarat), a replica model was recently launched and expanded to Nakhatrana and Hazira (Gujarat) in November last year.

- The Udaan project: The Foundation is developing on a new project that is geared towards motivating the students of our country and encouraging the entrepreneurial spirit in their lives. It is a learning-based initiative focusing on UN's fourth Sustainable Development Goal — Quality Education.

- Education during pandemic: Adani Foundation pioneered the initiative of providing students in rural areas access to digital education during the pandemic. The Adani Schools activated digital learning sessions for students. Amidst the COVID-19 crisis, the Gyanodaya classes were being aired on Doordarshan Jharkhand benefitting over 50 million students. As the COVID-19 lockdowns relaxed, the Gyanodaya Rath was flagged off by the Government to reach students who did not have access to smart devices. Until July 2020, in the schools adopted under Utthan classes were conducted through Whatsapp video calls. Other projects such as Sankalp in Surguja, Prayas in Raipur and Javahar Navodaya Coaching centres are ensuring that learning continues for its students through both online and offline methods.

- *Community Health*. The Adani Foundation's key focus is on improving access to quality healthcare services for people belonging to the weaker sections of the society. For this, the Foundation runs Mobile Health Care Units ("**MHCUs**"), hospitals and clinics across the nation. The Foundation organizes general as well as specialized health camps. It also provides special support to the differently abled and the elderly, another significant step in increasing healthcare support across the country. In the nine months ended December 31, 2020, over 77,852 treatments (compared to 155,856 treatments provided in Fiscal 2020) were provided through MHCUs, Rural Clinics and wellness centers.

  - Gujarat Adani Institute of Medical Sciences ("**GAIMS**"): Established in 2009, as the first-ever Public Private Partnership ("**PPP**") endeavor between the Government of Gujarat and Adani Education and Research Foundation, it took over the reins of G.K. General Hospital ("**GKGH**"), the district's only multi-specialty teaching hospital.

  - Health cards, camps and Mobile Healthcare Units ("**MHUs**"): The Vadil Swasthya Yojana benefits senior citizens from socio-economically marginalized sections. As of December 31, 2020, 8,672 senior citizens with family low annual income were provided green cards to avail free healthcare services, while other families are given blue cards to avail healthcare services at the Adani Hospitals at highly subsidized rates. More than 200 camps were also organized by the MHUs staff to spread awareness about seasonal diseases as well as general health related issues.

- *Community Infrastructure Development*. The Adani Foundation develops infrastructure in rural areas of India, including building approach roads, recreational zones, such as gardens and sports grounds, and water storage tanks. It focuses on developing rural livelihoods and providing opportunities for income generation. It also aims at providing safe and clean drinking water to improve regional water security, by constructing dams and deepening ponds, and providing access to qualitative primary health care systems. Recognizing the government as the key player in the provision of basic infrastructure facilities, the Adani Foundation endeavors to bridge the gaps and make its activities more need specific and responsive to the grass root requirements.

- *Sustainable Livelihood Development*. The Adani Foundation also focuses on providing holistic growth through informed choices and livelihood options, facilitating stakeholder consultations and developing local partnerships to upgrade their basket of skill sets and the development of marginalized sections of the society by providing necessary training, skill development and livelihood opportunities. In line with this, we have established various skill development centers in the states of Gujarat, Chhattisgarh, Jharkhand, and Rajasthan. The Adani Foundation invests in building social capital, promoting collective strength through self-help groups, supporting initiatives towards preservation of traditional art and organizing skill development training for the youth and women artisans. The income generating activities of the Adani Foundation has impacted numerous peasants and their families directly. The Foundation builds social capital by promoting Self-Help Groups ("**SHGs**"), supporting initiatives towards preservation of traditional art and organizing skill development training. Specific programmes are designed for fishermen communities, farmers and cattle owners, youth and women.

    - Among many unique initiatives undertaken by the Adani Foundation to make women self-reliant is Vizmart in Vizhinjam, Kerala. Vizmart is a market outlet with 14 shops run by women from the community in the periphery of the Vizhinjam Port. The motive of Vizmart is to materialize a sustainable market for the women SHGs. The market has been developed with facilities to run 13 shops for different livelihood units developed and facilitated by the Adani Foundation through SHGs. Further necessary training, sourcing of products for the groups, branding support, bank linkages, product packaging, linkage with resources and market is also provided by Adani Foundation. Through such initiatives, over 1,505 women were empowered.

    - The Foundation has set up Thumboormozhi Aerobins as a facility in Vizhinjam, Kerala for waste compost and is creating awareness among the waste generators on how to segregate the waste and dispose it scientifically through such facilities. A new model called CLAP (CSR, Local Authority and People interactive model) was initiated by defining the role for each stakeholder. This has yielded better results in the communities, wherein currently the waste from approximately 2,500 families is treated through Thumboormozhi.

    - The Foundation is working towards the bettermen of fishermen community. This CSR project focusses on the betterment of fishing community include providing infrastructure support to fishermen like fixing LED street lights in villages, renovating shelters, facilitating potable water, improving infrastructure of Government Schools and so on. It has also helped in the capacity building of fishermen so they can adopt innovative practices and techniques to help them get more catch and hence, a better income.

    - Under Gram Utthan Project, Adani Foundation is supporting farmers to install home biogas in a phase wise manner. In Fiscal Year 2020, 95 such installations were supported in Dhrub, Zarpara and Navinal Villages.

Board of Directors

The Articles of Association provide that the minimum number of Directors shall be three and the maximum number of Directors shall be 15. As of the date of this Offering Circular, our Company has 10 Directors. Our Company may subject to the provisions of the Articles of Association and the Companies Act, alter the maximum number of Directors by approval of our Company's shareholders by special resolution.

Not less than two-thirds of the total number of Directors shall be appointed as Directors who are liable to retire by rotation. At our Company's annual general meeting, one-third of the Directors for the time being who are liable to retire by rotation shall retire from office. The Chairman and Managing Director of our Company, however, is not liable to retire by rotation. A retiring director is eligible for re-election. The Articles of Association permit the bank, financial institution or any person or persons to appoint Directors to the Board as their nominee while any loan amount remains outstanding to them from our Company or for underwriting shares or debentures or other securities of our Company as long as any guarantee given by such entity in respect of any financial obligation of our Company remains outstanding. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that, where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors present at the meeting, being not less than two, shall be the quorum during such time.

The Directors are not required to hold any Equity Shares to qualify as a Director. The following table provides information about our Company's Directors.

Name and Nationality	Age (Years)	Designation
Mr. Gautam S. Adani[(1)] Nationality: Indian	58	Chairman and Managing Director
Mr. Rajesh S. Adani[(1)] Nationality: Indian	56	Non-Independent and Non-Executive Director
Dr. Malay Mahadevia Nationality: Indian	57	Non-Independent and Whole-time Director
Mr. Karan Adani[(1)] Nationality: Indian	33	Non-Independent and Whole-time Director
Professor Ganesan Raghuram Nationality: Indian	66	Independent and Non-Executive Director
Mr. Gopal Krishna Pillai Nationality: Indian	71	Independent and Non-Executive Director
Mrs. Nirupama Rao Nationality: Indian	70	Independent and Non-Executive Director
Mr. Bharat Sheth Nationality: Indian	63	Independent and Non-Executive Director
Mr. P. S. Jayakumar[(2)] Nationality: Indian	58	Independent and Non-Executive Director
Mrs. Avantika Singh Aulakh, IAS[(3)] Nationality: Indian	39	Non-Independent and Non-Executive Director

(1) Mr. Gautam S. Adani and Mr. Rajesh S. Adani are brothers and Mr. Karan Adani is the son of Mr. Gautam S. Adani and nephew of Mr. Rajesh S. Adani. None of the other Directors are related to each other.

(2) Our Board has recommended the appointment of Mr. P. S. Jayakumar as an additional director (independent and non-executive director) for a period of five years with effect from July 23, 2020, subject to approval of the shareholders of our Company at the next Annual General Meeting.

(3) Our Board has approved the appointment of Mrs. Avantika Singh Aulkah as an additional director (non-executive and non-independent director) with effect from September 15, 2020, subject to approval of the shareholders of our Company at the next Annual General Meeting.

Brief Profile of the Directors

Mr. Gautam S. Adani is the Chairman and Managing Director of our Company and founder of the Adani Group. Under his leadership, the Adani Group has emerged as a diversified integrated infrastructure player with interests in international trading, infrastructure development, power generation and distribution, development of SEZs, gas distribution, trading and business process outsourcing. He has more than 31 years of business experience. He has been associated with our Company as the Managing Director since January 28, 1999 and as the Chairman and Managing Director since August 5, 2006.

Mr. Rajesh S. Adani is a non-executive and non-independent Director of our Company. He holds a bachelor's degree in commerce from Gujarat University. He has been associated with the Adani Group since its inception. He is in charge of the operations of the Adani Group and has been responsible for developing its business relationships.

Dr. Malay Mahadevia is a whole-time Director of our Company. He holds a master's degree in dental surgery from University of Bombay. He was conferred with a doctorate of philosophy in coastal ecology around Mundra area, Kutch District, Gujarat by Gujarat University. He has been working with our Company since 1992 and has worked on the development of Mundra Port since its conceptualization. He is a member of the Gujarat Chamber of Commerce and Industry.

Mr. Karan Adani is a whole-time Director and chief executive officer of our Company. He holds a bachelor's degree in economics from Purdue University. Having accumulated experience throughout various divisions of our Company's operations since 2009, he is responsible for the strategic development of the Adani Group and overlooks its day to day operations. He aims to build the Adani Group's identity around an integrated business model, backed by his understanding of new processes, systems and macro-economic issues, coupled with his growing experience.

Professor Ganesan Raghuram is an independent Director of our Company. He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Madras a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad and a doctorate in philosophy from Northwestern University. He is currently a Director of Indian Institute of Management, Bangalore and specializes in infrastructure, transportation systems, supply chain and logistics management. The focus of his research and publications includes railways, ports and shipping, air and road sectors, service organizations, logistics and supply chain management. He has previously taught at Northwestern University and Tulane University. He is also a visiting faculty member at several universities in USA, Canada, Yugoslavia, Tanzania, UAE, Singapore and India. He has been the vice chancellor, Indian Maritime University, Chennai and professor of Indian Institute of Management, Ahmedabad. He is a fellow of the Operational Research Society of India and Chartered Institute of Logistics and Transport.

Mr. Gopal Krishna Pillai is an independent Director of our Company. He is a former Indian Administrative Services officer. He holds a master's degree in science from the Indian Institute of Technology, Chennai. He started his career as sub-collector, Quilon and worked in revenue administration. He has previously held various government positions including special secretary for industries, especially the traditional industries of cashew, coir and handlooms; secretary, health and as principal secretary to the chief minister of Kerala, department of Commerce, Ministry of Commerce and Industry. He was the chairman of the Board of Approvals of SEZ from 2006 to 2009.

Mrs. Nirupama Rao is an independent Director of our Company. She holds a master's degree in English literature from Marathwada University (now Babasaheb Ambedkar Marathwada University). She is also a fellow at the Centre for International Affairs (now the Weatherhead Centre) at Harvard University, a Meera and Vikram Gandhi fellow at the Watson Institute for International Studies at Brown University, a Jawaharlal Nehru Fellow and a recipient of the degree of doctor of letters (*honoris causa*) from the Pondicherry University. She was conferred with the Vanitha Ratna by the Government of Kerala in 2016. She was a Global Fellow of The Wilson Center in Washington D.C. and a Councillor of the World Refugee Council. A career diplomat from the Indian Foreign Service from 1973 to 2011, she served the GOI in several important positions including that of the Foreign Secretary of India. She has represented India in

several countries during her career and was the first Indian woman to be appointed High Commissioner to Sri Lanka and Ambassador to China. She was also the first woman spokesperson of the Ministry of External Affairs. After her retirement, she was appointed as the Ambassador of India to the United States for a tenure of two years from 2011 to 2013.

Mr. Bharat Sheth is an independent Director of our Company. He holds a bachelor's degree in science (economics) with honors from the University of St. Andrews, Scotland. He is the Deputy Chairman and Managing Director of The Great Eastern Shipping Company Limited and the Chairman of Greatship (India) Limited, a subsidiary of The Great Eastern Shipping Company Limited. He is on the members' board of the North of England Protecting and Indemnity Association Limited and on the Board of Directors of the Steamship Mutual Underwriting Association (Bermuda) Limited and the Indian National Shipowners' Association.

Mr. P. S. Jayakumar is an independent director of our Company. He is a member of the Institute of Chartered Accountants of India, holds a masters degree in commerce from the University of Madras and holds a post graduate diploma in business administration from Xaviers Labour Relations Institute, Jamshedpur. Prior to joining our Board, he was the managing director and chief operating officer of Bank of Baroda, and had founded VBHC Value Homes Private Limited and Home First Finance Company India Limited. He has also been associated with Citibank for several years in various capacities.

Mrs. Avantika Singh Aulakh, IAS is a non-executive and non-independent Director of our Company. She is an IAS officer of the 2003 batch and is currently the Vice Chairman and Chief Executive Officer of the Gujarat Maritime Board. She holds a Bachelor of Engineering in Instrumentation & Control & Mid-Career Masters degree in Public Administration from the Harvard Kennedy School. She started her career in Civil Services as a Sub Divisional Officer in Assam. She served as Commissioner, Technical Education and Collector — Ahmedabad and worked in Anand, Bharuch & Vadodara, Gujarat as a Collector. She also served as a District Development Officer in Gandhinagar and Anand, Gujarat and as Deputy Secretary — Energy and Petrochemicals Department, Government of Gujarat, earlier in her career. In 2012, she was honoured by the Election Commission of India for her outstanding contribution by implementing the best electoral practices at Bharuch during her tenure as the District Election Officer.

Borrowing Powers of the Board

The Articles of Association, subject to the provisions of the Companies Act, authorize our Board to raise, borrow, or secure the payment of any sum or sums of money as approved by shareholders for the purposes of our Company. Our shareholders have, pursuant to a resolution passed at the annual general meeting dated August 11, 2015, authorized our Board to borrow monies not exceeding ₹350,000 million at any time.

Shareholding of Directors

The following table sets forth the number of Equity Shares held by the Directors as at September 30, 2020:

Name	Number of Equity Shares	Percentage (%)
Mr. Gautam S. Adani and Mr. Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	799,353,935	39.34
Mr. Rajesh S. Adani and Ms. Shilin R. Adani (on behalf of Rajesh S. Adani family Trust)	30,000	0.0
Mr. Gautam S. Adani	1	0.0
Mr. Rajesh S. Adani	1	0.0

Prohibition by SEBI or Other Governmental Authorities

None of the Directors or the companies with which they are or were associated as promoters, directors or persons in control are currently debarred from accessing the capital markets under any order or direction passed by SEBI, stock exchanges in India or court/tribunal.

Non-Executive Directors

The following table sets forth the details of the remuneration of existing non-executive Directors of our Company Fiscal Year 2020:

Name	Commission	Sitting Fees	Total
	(₹ in Millions)	(₹ in Millions)	(₹ in Millions)
Mr. Rajesh S. Adani	—	1.10	1.10
Professor Ganesan Raghuram	1.40	0.75	2.15
Mr. Gopal Krishna Pillai	1.40	0.70	2.10
Mrs. Nirupama Rao	1.33	0.35	1.68
Mr. Bharat Sheth	0.75	0.15	0.90

Executive Directors

The following table sets forth the details of the remuneration paid/payable to the existing Chairman and Managing Director, and Whole Time Directors for Fiscal Year 2020:

Name	Salary	Perquisites, Allowances and other Benefits	Commission	Total
	(₹ in Millions)	(₹ in Millions)	(₹ in Millions)	(₹ in Millions)
Mr. Gautam S. Adani	18.00	—	10.00	28.00
Dr. Malay Mahadevia	107.14	4.94	—	112.08
Mr. Karan Adani	17.24	2.76	—	20.00

Key Managerial Personnel

Mr. Deepak Maheshwari, aged 52 years, is the Chief Financial Officer and Head Strategy of our Company. He holds a degree in electrical engineering from University of Bombay followed by a post-graduate degree in business administration from XLRI (Institute of Management and Labour Studies), Jamshedpur and a master of business administration degree in finance from the London Business School. He has about two decades of experience across power, infrastructure and energy sectors with significant experience in the Indian and European markets. Prior to joining our Company, he was associated with Essar Energy Limited in capacity of its chief financial officer. He joined our Company in 2018.

Captain Unmesh Abhyankar, aged 61 years, is currently heading our operations vertical related to ports, logistics and dredging and is responsible for business reviews, analysis, innovation and excellence. He has over 35 years of experience in the field of marine operations. Prior to joining our Company, he worked with the Great Eastern Shipping Company, and OCN Marine Services, where he was involved in marine and port operations. He joined our Company in 2005.

Dr. Jayant Kumar, aged 49 years is the Head HR of our Company, and is responsible for providing strategic human resources ("**HR**") leadership to our Company. He holds a degree in bachelor degree and a post-graduate degree in economics from Ranchi University, post-graduate diploma in personnel management from Xavier Institute of Social Service, doctorate of philosophy in economics (social sciences) from Patna University. He has also completed a degree in law recently from Mumbai University. He has over two decades of experience in human resources management. Prior to joining our Company, he was working with Tata Power Company Limited as chief human resources officer. He has also worked with Hindalco Industries, NTPC Limited, Reliance Communications Limited, Tata Teleservices Limited and Marico Limited. He has expertise in HR, leadership development, organization and culture building, capability building, workforce design and planning, talent management and succession planning. He joined our Company in 2019.

Mr. Pranav Choudhary, aged 44 years, is the Chief Executive Officer of the Hazira Port and the Dahej Port. He holds a bachelor's degree in commerce from the University of Rajasthan, and a post graduate diploma in business administration from the Institute of Chartered Financial Analysis of India's Business School. He has more than 18 years of experience in the ports and infrastructure sector. He joined Adani Group after spending 15 years with Gangavaram Port as its chief financial officer and has experience in strategic planning and development, financial resources mobilization, business development and managing corporate relationships. He joined our Company in 2017.

Mr. Subrat Tripathy, aged 55 years, is the Chief Executive Officer (Dhamra Port). He holds a master's degree in arts from the University of Hyderabad and a master's degree in philosophy from the Jawaharlal Nehru University, New Delhi. He has 24 years of experience in the operations of railway and port connectivity projects, and the construction and project management of new lines, gauge conversions and doublings projects for Indian Railways. During his time at Indian Railways from 1989 to 2013, he worked in various capacities including as deputy chairman of the Paradip Port Trust. He joined our Company in 2014.

Mr. Rajesh Jha, aged 55 years, is currently the managing director and Chief Executive Officer of Adani Vizhinjam Port Private Limited. He has a bachelor's degree in metallurgical engineering from University of Roorkee. Prior to joining our Company, he has worked with Utkal Alumina International Limited, an Aditya Birla Group company, as its managing director and chief executive officer. He has also worked at Tata Steel Limited, Tata Metaliks Limited, Usha Martin Industries Limited, Jindal Steel & Power Limited, and Visa Industries Limited. He is the Life Member of the Indian Institute of Metals and was an executive member of the Roorkee University Students Association. He has received a number of awards, including, Udyog Rattan Award by Institute of Economic Studies and an excellence award by the Institute of Economic Studies. He joined our Company in 2014.

Captain Sandeep Mehta, aged 59 years, is the President (Business Development) of our Company. He is a member of the Institute of Chartered Ship Brokers and a member of the Company of Master Marines of India. He holds a certificate of competency as master of a foreign-going ship granted by the GOI. He has played a vital role in establishing Mundra Port as one of the leading ports in India. He has over 34 years of experience in the maritime industry including senior management positions in the container liner shipping and logistics sector. He joined our Company in 2015.

Mr. G. J. Rao, aged 67 years, is the Director (Ports) (non-board position) of our Company and is currently heading Krishnapatnam Port. He has over 35 years of experience in building and directing integrated port management and inter-modal operations including planning, purchase, finance, marketing, maritime security and operating expertise and has exposure in relation to the business of ports situated in different countries of Europe, East Asia and North America. Prior to joining our Company, he was the chairman of the Paradip Port Trust. He joined our Company in 2012.

Mr. Jai Khurana, aged 48 years, is the Head, Business Development of our Company. He holds a bachelor's degree in mining engineering from the Indian School of Mines, Dhanbad and also holds a post-graduate diploma in business management from the Institute of Management Technology, Ghaziabad. He has been associated with Indian ports and shipping sector for over two decades. In his previous assignments, he has worked with the Jindal group, Tata Group, Oil and Natural Gas Corporation and AV Birla Group. He joined our Company in 2013.

Mr. Avinash Rai, aged 50 years, is the Chief Operating Officer of Mundra and Tuna Ports. He holds a bachelor's degree in mechanical engineering from Guru Ghasidas University, Bilaspur. He has experience of over 25 years in the mining, metals and shipping business. Before joining the Adani Group, he has served in various businesses both national and international such as Hindustan Zinc Limited, Vedanta Group, Dubai Aluminium Limited, Saudi Iron and Steel Company and Bharat Aluminium Company Limited to name a few. He joined our Company in 2015.

Mr. Minesh Patel, aged 60 years, is the Head Legal of our Company. He holds a bachelor's degree in commerce and a bachelor's degree in law from University of Bombay. He is also an associate of Institute of Company Secretaries of India. He has about three decades of experience in corporate and legal affairs, having worked with corporates including Hindalco Industries Limited as President (Corporate Legal), Aditya Birla Group, Reliance Communications Limited, Tata Teleservices Limited, Vadilal Chemicals Limited and Indian Organic Chemicals Limited. He joined our Company in 2018.

Mr. Pradeep Jayaraman, aged 43 years, is the Head Analytics of our Company. He holds a bachelor's degree in mechanical engineering from University of Madras and a post graduate diploma in business administration from Xavier Institute of Management and Entrepreneurship, Bangalore. He has over 16 years of varied experience in digital and advanced analytics, digital marketing, retail and consumer finance and services. He has significant experience in building teams and analytics center for various multinational companies. Prior to joining our Company, he was associated with Fractal Analytics as Vice President and Head of Digital Analytics, Maersk Group as practice lead of customer analytics, Cognizant Technologies as director, Genpact India as manager and Ozone Media Solutions as senior manager — international sales. He joined our Company in 2018.

Mr. Vikram Jaisinghani, aged 58 years, is the Chief Executive Officer of Adani Logistics Limited. He holds a bachelor's degree in mechanical engineering from Veermata Jijabai Technological Institute, Mumbai and holds a master of business administration degree in finance from Narsee Monjee Institute of Management Studies, Mumbai. He has over 35 years of experience spread across various industries and organizations such as Raymond, Alliance Tires Group, GMR Hyderabad International Airport, Cummins India Limited, Siemens, GE Lighting, Asian Paints and Vickers System International. He was Senior Vice President in McKinsey & Company He joined our Company in 2019.

Mr. Richard Ventre, aged 44 years, is the Chief Information Officer of our Company. He has a higher national diploma in computing from the Liverpool John Moore University. He has over 20 years of experience in leadership positions across organisations including DXC Technology (formerly known as CSC) and Network Rail. Prior to joining our Company, he was the director, global IT at APM Terminals. He joined our Company in 2019.

Captain Anil Kishore Singh, aged 59 years, is the Chief Executive Officer — Inland Waterways of our Company. He completed his training as an executive cadet on the training ship "Rajendra", where he graduated with a first class degree and has attained a certificate of competency as a master of a Foreign Going Ship which is equivalent to a bachelor in nautical science from the University of Mumbai. He is a licensed pilot with the Kandla Port Trust. He has several years of varied experience in the field of marine operations, survey and port operations including pilotage. He has commanded chemical and gas carriers. He has experience in port operations, chartering and operations of ships. His port experience comprises of contributing in the development of the Mundra Port and the Hazira Port. He joined our Company in 2018.

Captain BVJK Sharma, aged 58 years, is the Directors — Ports of our Company. He completed his training as an executive cadet on the training ship "Rajendra", where he graduated with a first class degree and has attained a certificate of competency as a master of a Foreign Going Ship. He is a member of the Institute of Chartered Shipbrokers. He has also participated in a Programme on Shipping Management held by the Indian Institute of Management, Ahmedabad. He has over 38 years of experience in the Indian maritime sector and the creation of efficient and sustainable infrastructure in the country. Prior to joining our Company, he was the joint managing director and chief executive officer of JSW Infrastructure. While at JSW Infrastructure, he helped develop a dry bulk terminal in Goa. He was instrumental in the development and operations of the Mundra port in its initial years, prior to joining JSW Infrastructure. He is also the chairman of the Taskforce on Ports and Shipping at the Federation of Indian Chambers of Commerce and Industry (FICCI), the co-chairman of the National Council on Shipping, Ports and Logistics at Associated Chambers of Commerce and Industry of India (AASOCHAM), the co-chairman of the Shipping and Ports Committee at the Inter-Ministerial Committee (IMC) and is a member of the Working Group on Ports and Evacuations Infrastructure of the Union Ministry of Shipping. He joined our Company in 2019.

Each of the aforesaid key managerial personnel is a permanent employee and/or director of our Company or its subsidiaries. The aggregate compensation payable to the aforesaid key managerial personnel for Fiscal Year 2020 was approximately ₹383.4 million.

Shareholding of Key Managerial Personnel

The following table sets forth the number of Equity Shares held by the key managerial personnel as at September 30, 2020:

Name	Number of Equity Shares	Percentage (%)
Mr. Pranav Choudhary	300	0.0
Mr. Vikram Jaisinghani	3,000	0.0
Captain BVJK Sharma	2,575	0.0

Corporate Governance

Our Company complies with the applicable corporate governance requirements, including the requirements relating to the constitution of the Board and Committees thereof under the SEBI LODR Regulations.

Our Board has 10 Directors. The Chairman and Managing Director of our Board is an executive Director. Accordingly, in accordance with Regulation 17(1)(b) of the SEBI LODR Regulations at least one-half of our Board is required to be comprised of independent Directors. Currently, out of a total of 10 Directors on the Board, five Directors are independent. Our board also includes two female Director. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and proper constitution of Committees of the Board. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of the Board

There are seven Board level committees in our Company, which have been constituted and which function in accordance with the relevant provisions of the Companies Act and the SEBI (LODR) Regulations: (i) the Audit Committee; (ii) the Nomination and Remuneration Committee; (iii) the Stakeholders Relationship Committee; (iv) the Transfer Committee; (v) the Sustainability and Corporate Social Responsibility Committee; (vi) the Finance Committee; and (vii) the Risk Management Committee.

The members of the aforesaid committees are:

Committee	Members
Audit Committee	Mr. Gopal Krishna Pillai (Chairman), Prof. Ganesan Raghuram, Mr. Rajesh S. Adani and Mr. P.S. Jayakumar
Nomination and Remuneration Committee	Prof. Ganesan Raghuram (Chairman), Mr. Gopal Krishna Pillai, Mr. Rajesh S. Adani and Mrs. Nirupama Rao
Stakeholders Relationship Committee	Prof. Ganesan Raghuram (Chairman), Mr. Karan Adani and Mr. Gopal Krishna Pillai
Transfer Committee	Mr. Gautam S. Adani (Chairman), Mr. Rajesh S. Adani and Dr. Malay Mahadevia
Sustainability and Corporate Social Responsibility Committee	Mr. Rajesh S. Adani (Chairman), Mr. Gopal Krishna Pillai and Dr. Malay Mahadevia
Finance Committee	Mr. Gautam S. Adani (Chairman), Mr. Rajesh S. Adani and Dr. Malay Mahadevia
Risk Management Committee	Mr. Rajesh S. Adani (Chairman), Mr. Gopal Krishna Pillai, Dr. Malay Mahadevia, Capt. Unmesh Abhyankar and Mr. Deepak Maheshswari

Interest of Directors and Key Managerial Personnel

Except as stated in "*Management's Discussion and Analysis of the Financial Condition and Results of Operations — Related Party Transaction*" (and including related party transactions entered into by our Company with entities in the Adani group in which certain of our Directors and key managerial personnel may also be directors or shareholders) and to the extent of (i) the Directors' shareholding held in our Company and remuneration and benefits to which they are entitled in accordance with their terms of appointment and (ii) any related party transactions entered into by our Company with entities in the Adani Group, the Directors do not have any other interest in our Company or our Company's business. The Directors may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to them, their relatives, dependents, companies, firms, HUF or trusts, in which they are interested as directors, members, partners, *karta* and/or trustees. All Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members. The non-executive Directors of our Company may also be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee, and commission payable to them (which is capped at 1% of the net profits).

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled in accordance with their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them or their dependents in our Company, if any.

The following section provides an overview of the important laws and regulations, which are relevant to our business. The information set out below has been obtained from sources available in the public domain and is based on the current provisions of the Indian laws, as amended; and which are subject to amendments, changes and modifications. This overview is not exhaustive and is intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. Prospective investors should seek independent legal advice on the laws and regulations applicable to our business.

Port Related Regulations

The ports in India may be classified as Major and Non-Major Ports. Under the Indian Ports Act, the GOI is empowered to declare a port as a Major Port. The port related regulations governing our Company and our ports are as follows:

Major Port Trust Act, 1963

In India, the Major Ports are placed under the Union list of the Indian Constitution, and are regulated under the Major Port Trust Act, 1963, as amended (the "**MPT Act**") by the GOI. The GOI may by notification in the official gazette apply the provisions of the MPT Act to any Major Ports in India. Currently there are 13 Major Ports in India. Except Ennore Port, all other Major Ports are governed in accordance with the MPT Act. Under the MPT Act each Major Port is governed by a Board of Trustees appointed by the GOI. The Board of Trustees consists of persons as appointed by the GOI from to time to time by way of notification. Persons so appointed on the Board of Trustee are from various interests like the labor employed in the port, the Mercantile Marine Department, the Customs Department, the Government of the state in which the port is situated, the defense services, the Indian railways and such other interests as, in the opinion of the GOI, ought to be represented on the Board of Trustees. Therefore, the Board of Trustees constituted under the MPT Act is dominated by government departments and public enterprises. Consequently, the powers of the Board of Trustees are limited and they are bound by directions on policy matters and orders from the GOI. The Board of Trustees constituted under the MPT Act may make regulations for one or more matters as permitted under the MPT Act. The Board of Trustees is also empowered to enter into contracts, execute work and provide appliances as required under the MPT Act. The Union Cabinet on December 14, 2016 approved the proposal of Ministry of Shipping to replace the MPT Act by the Major Port Authorities Bill, 2016 (the "**Bill**") and was introduced in the Parliament. With a view to promote the expansion of port infrastructure and facilitate trade and commerce, the proposed Bill aimed at decentralizing decision making and to infuse professionalism in the governance of ports. The Bill was pending before the upper house of the Indian Parliament before the session lapsed and did not get reintroduced in the 17th Lok Sabha. Subsequently, the Major Port Authorities Bill, 2020 was approved by the Union Cabinet to replace the MPT Act and it is pending before the Lok Sabha presently. The Major Port Authorities Bill, 2020 ("**2020 Bill**") provides for regulation, operation and planning of Major Ports in India and to vest the administration, control and management of such ports upon the boards of Major Port Authorities and for other related matters. The 2020 Bill further aims at decentralizing decision making, re-orienting the governance model in central ports to a landlord port model to align it with the global practice. While the 2020 Bill was introduced in the Lok Sabha as an amendment in 2018, it lapsed after the dissolution of the previous Lok Sabha.

Fixation of tariff at Major Ports

When the private sector was first allowed to offer services in Major Ports, companies were often acting in competition with the port trusts, and the private sector lobbied for an independent body to set port tariffs to ensure a fair competition between private sector and the port trusts. The Tariff Authority for Major Ports ("**TAMP**") was established for Major Ports to fix and revise port tariffs and was set up through an amendment of the MPT Act. All powers for fixing the tariffs in Major Ports lies with TAMP. However, it has no jurisdiction over Non-Major Ports or private ports.

The Guidelines for Regulation of Tariff at Major Ports, 2004 ("**TAMP Guidelines 2004**") are applicable to all Major Ports and may also be extended to private terminals operating at these ports under a BOT/BOOT basis or other government privatization arrangement. Under the TAMP Guidelines 2004, tariffs are fixed based on a formula taking into account cost and return on capital employed. Any violation of the TAMP Guidelines 2004 is punishable with penal charges.

The Guidelines for Determination of Tariff for Projects at Major Ports, 2013 ("**TAMP Guidelines 2013**") shall apply to all projects to be awarded by any Major Port Trust to which the provisions of MPT Act apply under BOT/BOOT or any other arrangement for PPP Projects for which tenders were issued after the date of issue of these guidelines. The TAMP Guidelines 2013 provide for fixing a tariff cap for the reference tariff to be levied by TAMP as well as provides for fixation of a performance linked tariff for PPP operators based on proposals received from the PPP operators.

The Guidelines for Determination of Upfront Tariff for Stevedoring and Shore Handling Operations authorized by Major Ports Trusts, 2016 ("**TAMP Guidelines 2016**") shall be applicable for fixation of upfront tariff for carrying out all stevedoring and shore handling operations by the agencies or firms who are authorized by Major Port Trusts to carry out these operations under the MPT Act. The TAMP Guidelines 2016 are not applicable for BOT/BOOT operators or any other arrangement for private sector participation which are governed by the TAMP Guidelines 2004, TAMP Guidelines 2008 and TAMP Guidelines 2013.

The Tariff Guidelines, 2019 ("**TAMP Guidelines 2019**") shall be applicable for regulation of tariff for BOT operators operating in Major Port Trusts, under the TAMP Guidelines 2004. The TAMP Guidelines 2004 were to remain in force for a period of five years unless reviewed earlier or extended. The TAMP and the Ministry of Shipping, GOI carried out various attempts to revise the tariff guidelines on a normative basis. The TAMP issued the Tariff Policy, 2015 (which was revised in 2018) for Major Port Trusts which were earlier governed by the TAMP Guidelines 2004. The TAMP Guidelines 2019 broadly follow the principles of the Tariff Policies of 2015 and 2018 issued for Major Port Trusts. Under the TAMP Guidelines 2019, tariffs are fixed based on a formula taking into account cost and return on capital employed (which is fixed at 16%). Any violation of the TAMP Guidelines 2019 is punishable with penal charges.

TAMP notified the Working Guidelines, 2019 in order to operationalize the Tariff Guidelines, 2019 for Determination of Tariff for BOT Operators operating in Major Port Trusts ("**Working Guidelines, 2019**") on July 11, 2019. Working Guidelines, 2019 provides for issuance of working guidelines by TAMP and is applicable to all BOT terminal operators operating in Major Port Trusts, which are governed by the TAMP Guidelines, 2019.

Policy Guidelines for Land Management by Major Ports, 2014

The Policy Guidelines for Land Management by Major Ports, 2014 ("**Land Policy Guidelines 2014**") formulated for land management provide the necessary regulatory framework for land allotment and other Port specific practice like waterfront charges/way-leave permissions etc. The Land Policy Guidelines 2014 are applicable to all Major Ports, except for the township areas in Mumbai, Kolkata and Kandla. Ennore Port may follow the principles of the Land Policy Guidelines 2014 but is not under TAMP jurisdiction. Under the Land Policy Guidelines 2014, every Major Port must have a 'land use plan' which accounts for all the land owned and/or managed by the Major Port. Such plan has to be approved by the board of trustees and a copy would be forwarded to the GOI.

Under the Land Policy Guidelines 2014, land in custom bond areas can be allotted only through a license by inviting competitive bidding, where feasible. Land outside custom bond areas shall be given on lease only in accordance with the approved land use plan through tender-cum-auction up to a maximum cumulative period of 30 years.

The Indian Ports Act, 1908

The Indian Ports Act, 1908, as amended ("**Indian Ports Act**") consolidates the enactments relating to ports and port charges. In respect of ports other than Major Ports, State governments have been given power to make rules with respect to regulating the time, hours, speed, manner and conditions in which vessels may enter, leave or move in the port; berths, stations and anchorages to be occupied by vessels in a port; the anchoring, fastening, mooring and un-mooring of vessels in any such port; regulating the moving and warping of all vessels; removal or proper hanging or placing of anchors, spars and other things being in or attached to vessels. The GOI can make rules for the prevention of danger arising to the public health by the spread of any infectious or contagious disease from vessels arriving at or sailing from any such port. The state governments can alter the limits of a port.

The Indian Ports Act regulates the safety and conservation of ports as well as matters relating to the administration of port duties, pilotage and other charges. State governments in consultation with the relevant authority can exempt and extend/cancel the exemption to any vessel(s) from payment of port related dues. State governments are entitled to charge fees for pilotage, hauling, mooring, re-mooring, hooking and other services rendered to vessels. The state government can also vary the rates at which port dues are to be fixed. However, the rates should not exceed the amount authorized to be levied under the Indian Ports Act.

Fixation of tariff

TAMP exercises its authority only on the Major Ports, which are covered by the Major Port Trust Act, 1963. The Non-Major Ports come within the jurisdiction of the respective state governments.

The Indian Ports Bill, 2018

The Indian Ports Bill, 2018 ("**Indian Ports Bill**") proposes to update and consolidate the provisions of the existing Indian Ports Act and the MPT Act into a single law. It also proposes to make a provision for the constitution of port authorities for Major Ports in India to vest the control, administration and management of such ports in such authorities and for all matters connected thereto. It applies to all ports as well as to such parts of navigable waters including rivers and channels as may be notified by the Central Government. The Indian Ports Bill was pending before the upper house of the Indian Parliament before the session lapsed and has not been reintroduced in the 17th Lok Sabha.

The Indian Ports Bill proposes various changes in the law including granting overriding powers to the GOI in respect of defining or altering port limits. Further, it will empower the GOI to, at its discretion, appoint an officer or body of persons to be the conservator of every port The conservator of every port shall act with the power to ensure the compliance of all the regulations relating to the operations of ports or affecting them and who is authorized to carry proceedings for offenses and to levy penalties on the concerned offender. No provisions of the Indian Ports Bill are applicable to any vessel of war or any vessel in the service of the GOI during the time when security of India or any part of its territory thereof is threatened by war or external aggression or during proclamation of emergency.

The provisions relating to the TAMP have been de-linked from the Indian Ports Bill and a separate statute, namely the Port Regulatory Authority Act, is proposed to be promulgated, a draft of which was released for public comments by the Ministry of Shipping in March 2011. This draft of the Port Regulatory Authority Bill, 2011 ("**PRAB 2011**") proposes to constitute the Major Ports Regulatory Authority (the "**MPRA**") and State Ports Regulatory Authorities (the "**SPRAs**"). The MPRA is intended to succeed the TAMP. The current draft of the PRAB 2011 proposes that the MPRA and the SPRAs will, among other things: (1) regulate the charges for facilities and services provided at all ports including the "Non-Major Ports", which are not currently subject to such regulations; (2) monitor performance standards of port authorities and private operators; (3) advise the appropriate government on matters relating to the port sector; and (4) determine any disputes arising at ports.

The Gujarat Maritime Board Act, 1981

The Gujarat Maritime Board Act, 1981, as amended (the "**GMB Act**") provides for the constitution of a maritime board for Non-Major Ports in Gujarat and vests the administration, control and management of such ports in the maritime board, including the right to levy rates. The GMB Act provides that the Gujarat Maritime Board ("**GMB**") shall not lease the waterfront, jetty, waterway and corresponding infrastructural facilities for a term exceeding five years without the prior approval of the Government of Gujarat (the "**GoG**"). Similarly, no contract for acquisition or sale of immovable property or for the lease of any such property for a term exceeding 30 years shall be made without the prior approval of the GoG.

Port Policy of 1995 of the Government of Gujarat

The port policy formulated in 1995 is an integrated approach of the GoG covering port development, industrial development, power generation and infrastructure development. The GMB is the coordinating agency for procuring infrastructure and other facilities like rail, road and power and any other clearances from the GoG or the GOI.

Some of the objectives of the port policy are:

- decongestion of the existing Major Ports of western India;
- catering to the needs of increasing traffic of western and northern states;
- providing port facilities to promote export-oriented industries and port-based industries;
- encouraging ship building, ship repairing and establishing manufacturing facilities for cranes, dredgers and other floating crafts; and
- attracting private sector investment in the existing minor and intermediate ports and in the new port locations.

General guidelines for private investment as outlined in the port policy are as follows:

- construction of new wharves/jetties in selected sites and incomplete works of wharf/jetty/quay of the GMB will be privatized;
- private entrepreneurs will be permitted to install modern mechanical handling equipment on the wharf/jetty/quay; and
- privatization of the construction of new wharves/jetties in selected sites.

The entrepreneurs making investment in these locations will be given ousting priority for a period of five years from the date on which it is awarded. The entrepreneurs in turn have to assure a minimum cargo handling from the said landing place.

The port policy identifies port locations keeping in mind the infrastructure facilities that would be required.

Warehousing (Development and Regulation) Act, 2007

Warehousing (Development and Regulation) Act, 2007, as amended (the "**Warehousing Act**") regulates the registration of warehouses as well as the issuance of negotiable warehousing receipts in electronic formats. These negotiable warehousing receipts provide proof of ownership of commodities that are stored in a warehouse for safekeeping. In accordance with the terms of the Warehousing Act, no person is permitted to commence or carry on the business of warehousing without obtaining a certificate of registration in respect of such warehouse. Warehouses which do not propose to issue negotiable warehouse receipts are not required to obtain a certificate of registration under the Warehousing Act.

Build-Own-Operate-Transfer ("BOOT") policy 1997 under Port Policy of 1995 of the Government of Gujarat

The BOOT policy issued by the Government on July 29, 1997 serves as a framework for involvement of private sector in the construction and operation of new private and joint sector ports in Gujarat as announced in the Port Policy of 1995. It provides that the GoG will grant license/concession to private developers to build, own, operate and manage port facilities for a specific period. After expiry of the BOOT period, the assets will be transferred back to the GoG. The ownership of the land and waterfront will always vest with the GoG.

In accordance with the BOOT principles, the acquisition of land for the project will be the responsibility of the Government/GMB and the land will be allotted on lease to the private developer for a term concurrent with the term of the concession agreement. The Government will facilitate future expansion of port related activity, and the setting up of, among other things, industrial parks, commercial ventures, roads and railways in the vicinity of the port. Under the BOOT package, the private developer will be responsible for creation of the port infrastructure. The developer would be free to finalize the means of finance for the project and to structure the financing for the project. The Government may extend tax concessions to the projects by way of lowered stamp duty and registration fees. The developer would be responsible for obtaining the relevant clearances from central and state government ministries/departments/agencies.

The BOOT principles state that the relevant member(s) forming the bidding consortium of the project company must retain their financial commitment to the project for a minimum period of five years from the commercial operations. However, without GoG consent, they may reduce their equity participation in the project to up to 51% during the first five years.

The GoG will specify from time to time, a list of the essential services that the developer would be obliged to render. The broad areas of service in this respect will be stipulated in the concession agreement. The GoG will stipulate performance standards for the developer that seeks to evoke international standards of quality, safety and technological expertise in port operations. The developer will be granted a concession on the royalty payable to the GoG for a specified period of time.

The duration of the BOOT package will be 30 years. The BOOT period would commence after three years or the period mentioned in the document, whichever is earlier. BOOT periods greater than 30 years could be considered for projects which entail sizeable capital investment on account of site-specific marine conditions and backup infrastructure such as road/rail linkages.

At the time of the transfer, the GoG could choose any of the following options: offer the developer a roll-over option, take over the port and offer it to another developer, take over the port as a landlord and farm out services to the private sector on lease or management on contract basis, and take over the port and operate as a full service port itself.

The Reclaimed Land Guidelines of the Government of Gujarat

The guidelines for granting NOC/permission for reclamation of land for port and port related activities along the coast of Gujarat (the "**Reclaimed Land Guidelines**") were issued by the GMB in March 2018 with a view to provide clarity and uniformity of various applications for reclamation of land and thereby improving administrative decision making. The Reclaimed Land Guidelines include provisions in relation to regularization of reclaimed land and prescribe a two-stage process for approval of GMB for land reclamation projects.

The Gujarat Infrastructure Development Act, 1999

The Gujarat Infrastructure Development Act, 1999 (the "**GID Act**") provides a framework for participation by persons other than the GoG and Government agencies in financing, construction, maintenance and operation of infrastructure projects. The GID Act provides that any person may participate in financing, construction, maintenance and operation of a project and may enter into a concession agreement with the GoG or its specified agency. No concession agreement shall provide for transfer of a project by a developer to the GoG or its specified agency later than 35 years from the date of agreement. A concession agreement for undertaking a project may be entered into with a person through competitive public bidding or by direct negotiation.

Inland Vessel Act, 1917

The Inland Vessel Act, 1917, as amended ("**Inland Vessel Act**") was enacted to consolidate the enactments relating to inland vessels. It provides, among other things, for inland water limits, registration and survey of inland vessels, certificates of competency, licensing of masters and crew, investigation into casualties, protection and carriage of passengers and insurance against third party. An "inland vessel" or "inland mechanically propelled vessel" is defined as a mechanically propelled vessel, which ordinarily plies on inland water, but does not include fishing vessel and a ship registered under the Merchant Shipping Act, 1958. The Inland Vessel Act provides that an inland mechanically propelled vessel cannot proceed on any voyage, or used for any service unless she has a certificate of survey and a certificate of registration. The Inland Vessel Act empowers the state governments to appoint examiners for the purpose of examining the qualifications of persons desirous of obtaining certificates of competency to the effect that he is competent to act as a first-class master, second-class master or serang, or as an engineer, first-class engine-driver or second-class engine. The Inland Vessel Act also introduced the concept of temporary permit and made provisions for prevention and control of pollution and protection of inland water. The Ministry of Shipping published a draft of the Inland Vessel Bill, 2020 on April 28, 2020 to replace the Indian Vessel Act, 1917. The Bill has not yet been introduced in the Parliament.

The Indian Carriage of Goods by Sea Act, 1925

The Indian Carriage of Goods by Sea Act, 1925, as amended (the "**Sea Carriage Act**") regulates carriage of goods by sea in ships, carrying goods from any port in India to any port whether in or outside India. Carriage of goods covers the period from the time when the goods are loaded on to the vessel till the time that they are discharged. The Sea Carriage Act lays down certain rules relating to bills of lading for carriage of goods by sea "from any port in India to any other port whether in India or outside India" and specifies the risks and liabilities of the carrier and the shipper, rights and immunities available.

International Maritime Dangerous Goods Code

International Maritime Dangerous Goods Code (the "**IMDG Code**") adopted by the International Maritime Organization regulates carriage of dangerous goods by sea in order reasonably to prevent injury to persons or damage to ships and their cargoes. The objective of the IMDG Code is to enhance the safe carriage of dangerous goods while facilitating the free unrestricted movement of such goods and to regulate carriage of marine pollutants to prevent harm to the marine environment.

Miscellaneous orders and notifications in relation to COVID-19

In light of the ongoing impact of the outbreak of COVID-19, the Ministry of Home Affairs, GOI announced a nationwide lockdown pursuant to the order dated March 25, 2020 ("**Lockdown Order**") wherein several services across the nation were suspended. However, addendum to the guidelines annexed to the Lockdown Order exempted the following services from being suspended during the lockdown: (a) transportation for essential goods only; (b) fire, law and order and emergency services; (c) operations of railways, airports and seaports for cargo movement, relief and evacuation and their related operational organizations; and (d) inter-state movement of goods/cargo for inland and exports. Subsequently, the Directorate General of Shipping, Ministry of Shipping, GOI has issued several orders, notifications and guidelines to be followed by port authorities and vessels arriving at port authorities to combat the spread of COVID-19.

SEZ Related Regulations

Special Economic Zones Act, 2005

The Parliament has enacted the Special Economic Zone, Act, 2005 (the "**SEZ Act**") for the regulation and development of SEZs. The SEZ Act has been enacted for the establishment, development and management of the SEZs for the promotion of exports. An SEZ is a specifically delineated duty-free enclave, deemed to be a foreign territory for the purposes of Indian customs control, trade as well as duties and tariffs. A board of approval ("**SEZ Board**") has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. The SEZ Board has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, the foreign collaborations and foreign direct investments.

Any person may jointly or severally, establish a SEZ in accordance with the procedure under the SEZ Act. Any person who intends to set up an SEZ after identification of the area, is required to make an application directly to the SEZ Board or the concerned state government for approval. The developer of the SEZ is required to take effective steps for implementation of the SEZ project within the said validity period. The developer is required to furnish intimation of fulfillment of conditions specified in the "in-principle" approval to the Department of Commerce, the Ministry of Commerce and Industry (the "**DoC**") and the GOI within the specified validity period of the "in-principle" approval. The DoC, on being satisfied with the proposal and compliance of the developer with the terms of the approval, issues a notification declaring the specified area as an SEZ. The incentives and facilities offered to developers of an SEZ include single window clearance for central and state level approvals, exemption from dividend distribution tax, Goods and Services Tax and minimum alternate tax. The Special Economic Zones (Amendment) Act, 2019 was passed on July 6, 2019 to amend the definition of 'person' to include trusts or any entity as may be notified by the Government.

The Special Economic Zone, Rules 2006

The Special Economic Zone, Rules 2006 ("**SEZ Rules**") have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from central and state governments for setting up of SEZs and a "unit" in SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein with an emphasis on "self-certification" and the terms and conditions subject to which entrepreneurs and developers shall be entitled to exemptions, drawbacks and concessions. The SEZ Rules also provide for the minimum area requirement for various categories of SEZs. The Government has enacted various amendments to the SEZ Rules. The last amendment to the SEZ Rules pursuant to the notification dated December 31, 2019 provided, *inter alia*, certain exemptions from the applicability of Rule 53 to certain units such as a unit in an International Financial Service Center set up as an AIF or Mutual Fund or a unit in an International Financial Service Center set up as an International Financial Service Center Insurance Office. Rule 53 specifies the net foreign exchange to be achieved by a unit. Various states have their own state SEZ policies.

Gujarat Special Economic Zone Act, 2004

The Gujarat Special Economic Zone Act, 2004, as amended ("**Gujarat SEZ Act**") passed by the GoG, provides for the operation, maintenance, management and administration of a SEZ in the state of Gujarat. Any person desirous of establishing an SEZ must make an application to the GoG in the prescribed form. The state government might modify the application and make a recommendation to the GOI. The Gujarat SEZ Act establishes the Special Economic Zone Development Authority. The Gujarat SEZ Act also provides for the constitution and functions of the Approval Committee.

In addition to the functions entrusted by the GOI, the Approval Committee grants necessary local and state level clearances, approvals, licenses or registrations under the state acts for setting up an SEZ. The Gujarat SEZ Act provides that every SEZ shall be deemed to be an industrial township area. The area of the SEZ shall cease to be under the jurisdiction of any municipal corporation, municipal council, nagar panchayat or gram panchayat or the notified area constituted under the state laws. The Gujarat SEZ Act establishes a Special Economic Zone Development Committee. Some of the functions of the said Committee are to prepare a plan for the development of the SEZ in conformity with the guidelines prepared by the authority; to demarcate and develop sites for industrial, commercial, residential and for other purposes according to the plan; to provide infrastructure facilities and amenities; to allocate and transfer, either by way of lease or otherwise, plots of land for industrial commercial, residential or other purposes; and to regulate the construction of buildings.

The developer of the SEZ has to provide various facilities such as electricity, water, waste distribution and management, Non-Major Port and related services, roads and bridges, gas distribution, communication and data network transmission and any other services as may be prescribed. The developer may levy user charges or fees as may be approved by the Special Economic Zone Development Committee for providing infrastructural facilities. The Gujarat SEZ Act provides that all sales and transactions within the processing area or the demarcated area or between the units in the processing area and the demarcated area of the SEZ shall be exempt from all taxes, cess, duties, duties or fees levied under any law of the state of Gujarat to the extent of stamp duty and registration fees payable on transfer of land meant for approved units in the SEZ and on loan agreements, credit deeds and mortgages executed by a unit, industry or establishment established in the processing area or the demarcated area of the SEZ; Goods and Services tax; motor spirit tax and other taxes and cess payable on sales and transactions. Goods and services purchased by units in the SEZ from the domestic tariff area as input for any product have also been treated as zero rated supply under the Integrated Goods and Services Tax Act, 2017.

The Electricity Act, 2003

The Electricity Act, 2003, as amended (the "**EA 2003**") is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity that seeks to replace the multiple laws that governed the Indian power sector. The most significant reform initiative under the EA 2003 was the move towards a multi-buyer, multi-seller system as opposed to the existing structure which permitted only a single buyer to purchase power from power generators. In addition, the EA 2003 provides for a greater flexibility and grants the respective electricity regulatory commissions' greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the Central Electricity Regulatory Commission and State Electricity Regulatory Commissions has been established. However, the EA 2003 provided that transmission, distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of the EA 2003. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. The Government also announced the National Electricity Policy in 2005 to guide the development of the electricity sector in India. The EA 2003 was further amended in 2010 by notification dated March 3, 2010 to provide that any developer of an SEZ notified under the SEZ Act shall be deemed to be a licensee under the Electricity Act.

Customs Act, 1962

The Customs Act, 1962, as amended, (the "**Customs Act**") deals with the levy of customs duty, the power of the GOI to prohibit import and export certain goods, and prevention and detection of illegally imported goods. Section 8 of the Customs Act empowers the Principal Commissioner of Customs to approve proper places in any customs port or customs airport or coastal port for the unloading and loading of goods or for any class of goods. The Principal Commissioner of Customs is also empowered to specify limits of any customs area. Section 45 of the Customs Act lays down that all imported goods unloaded in a customs area shall remain in the custody of the person approved by the Principal Commissioner of Customs until they are cleared for home consumption or warehoused or transshipped. The custodian is required to keep a record of such goods and send a copy of the record to the designated officer. The custodian shall not permit the goods to be removed unless approved by the designated authority in writing or in such manner as may be prescribed. The Customs Act further provides that, if the goods are pilfered while in the custody of the custodian, then such custodian shall be liable to pay duty on such goods.

By a notification dated March 17, 2009, the Central Board of Excise and Customs notified the Handling of Cargo in Customs Area Regulations, 2009 (as amended on April 1, 2019) which specify the eligibility requirements and responsibilities of persons who receive, store, deliver or otherwise handle imported goods in the customs area.

Other Laws

The Insolvency and Bankruptcy Code, 2016, as amended (the "**Bankruptcy Code**") came into force with effect from August 5, 2016. The Bankruptcy Code primarily consolidates and amends the existing insolvency laws, *inter alia*, relating to companies and bodies corporate with the objective of providing clarity and consistency in the treatment of all the stakeholders in the insolvency process. The Bankruptcy Code establishes an Insolvency and Bankruptcy Board of India (Board) which, *inter alia*, functions as a regulator to oversee functioning of insolvency professionals, insolvency professional agencies and information utilities. The Board exercises a range of legislative, administrative and quasi-judicial functions. The Bankruptcy Code classifies creditors into, *inter alia*, financial creditors (i.e., creditors who have disbursed debt along with interest (if any) against the consideration for time value of money) and operational creditors (i.e., creditors who have a claim in respect of the provision of goods or services including employment or payment in respect of statutory dues). The Bankruptcy Code proposes to appoint specialized insolvency professionals tasked with the duty to oversee and facilitate the entire corporate insolvency resolution process for companies and bodies corporate. The Bankruptcy Code provides a 180 day timeline for insolvency resolution in cases of companies, which may be extended by 90 days. As part of the corporate insolvency resolution process, the resolution plan submitted by prospective resolution applicant(s) has to be approved by 66% of unrelated financial creditors and further by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. The National Company Law Tribunal is the adjudicating authority with jurisdiction over companies and limited liability entities. However, the provisions and sections under the Bankruptcy Code are being notified in a staggered manner and some provisions and sections are not effective yet. To the extent notified, the Bankruptcy Code has amended relevant provisions of, *inter alia*, the Companies Act, 2013 and the other laws as specified therein. Further, an amendment has inter alia, mandated that the corporate insolvency resolution process be completed within an overall timeline of 330 days from the insolvency commencement date and has also clarified that a resolution plan under the Bankruptcy Code may include provisions for restructuring of the corporate debtor, including by way of mergers, amalgamations and demergers.

Labor Laws

India has extensive labor related legislation. Preliminary information on some of the labor laws that may be applicable has been provided below. This list is indicative and does not cover all provisions of the law specified or cover other applicable labor laws.

The Dock Workers (Regulation of Employment) Act, 1948

Dock Workers (Regulation of Employment) Act, 1948 (the "**Dock Workers Act**") regulates the employment of dock workers. It provides that a scheme may provide for the registration of dock workers and employers to ensure greater regularity of employment. Such a scheme may provide for the following:

- classes of dock workers and employers to be covered under the scheme;
- obligations of dock workers and employers; and
- regulation of the employment of dock workers (whether registered or not) including their remuneration and working hours.

The scheme may also provide for penalty and/or imprisonment in case of contravention of any provision of the scheme. The Dock Workers Act also provides for the establishment of a board responsible for administering the scheme for the ports for which it has been established.

Dock Workers (Regulation of Employment) (Inapplicability to Major Ports) Act, 1997

The Dock Workers (Regulation of Employment) (Inapplicability of Major Ports) Act, 1997, as amended (the "**Dock Workers Inapplicability Act**") give powers to the GOI to direct the provisions of the Dock Workers Act to cease to have effect in relation to any Major Ports. Under the Dock Workers Inapplicability Act the GOI may after settlement is arrived at between the relevant dock labor board of any Major Port, its workmen and the management of that Major Port in accordance with the provisions of the Industrial Disputes Act, 1947, direct by notification in the official gazette that the provisions of the Dock Workers Act shall cease to have effect in relation to the Major Ports with effect from the date specified in the notification.

Employment and Labor Laws

Factories Act, 1948

The Factories Act, 1948, as amended (the "**Factories Act**"), regulates occupational safety, health and welfare of workers of industries in which 10 or more workers are employed in a manufacturing process being carried out with the aid of power. The Factories Act includes provisions as to the approval of factory building plans before construction or extension, investigation of complaints, maintenance of registers and the submission of yearly and half-yearly returns. Penalties for non-compliance include imprisonment of the occupier and manager for up to two years or a fine, or both, and a further fine for each day of continued contravention. The Factories (Amendment) Bill, 2016 (the "**Factories Bill**") was passed by the lower house of the Indian Parliament on August 10, 2016. The Factories Bill seeks to amend provisions relating to working hours and overtime working hours in the Factories Act, 1948 to empower both the central and state governments to make rules in relation to overtime hours of work in a quarter and raises the limit of overtime work from 50 hours to 100 hours. The Factories Bill was pending before the upper house of the Indian Parliament, before the session lapsed.

Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947, as amended (the "**ID Act**") sets out the procedure for the investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate government may refer the dispute to a labor court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or to prevent a strike or lock-out while a proceeding is pending. The labor courts and tribunals may grant appropriate relief including ordering the modification of contracts of employment or the reinstatement of workmen.

The ID Act also distinguishes between (i) employees who are "workmen" and (ii) employees who are not "workmen". Workmen have been provided several benefits and are protected under various labor laws, while those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. The ID Act lays down certain requirements for termination of a workman, the procedure for dispute resolution and financial obligations upon retrenchment.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to replace three existing labor laws, namely the Industrial Disputes Act, 1947, the Trade Unions Act, 1926, and the Industrial Employment (Standing Orders) Act, 1946. The code aims to streamline industrial relations and help India improve on the ease of doing business index. Further, to impart flexibility to the exit provisions of employees, the threshold for prior approval of appropriate Government has been kept unchanged at 100 employees, however, a provision is proposed to be added for changing the number of employees through notification. This means that a parliamentary approval is no longer required to change the number of employees and it can be done solely by an executive order. At the same time, it protects workers by proposing to create the re-skilling fund, which is to be utilized for crediting to workers in the prescribed manner. In addition, the code provides a definition for fixed term employment of any duration across sectors which does not entail requirement of notice or retrenchment compensation. However, it makes provision for accrual of all statutory benefits such as social security and wages to such employees at par with regular employees. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Dock Workers (Safety, Health and Welfare) Act, 1986

The Dock Workers (Safety, Health and Welfare) Act, 1986, as amended (the "**Dock Workers Safety Act**") was enacted to give effect to the conventions concerning protection against accidents of workers employed in loading and unloading ships. The Dock Workers Safety Act is applicable to all ports in the country. The appropriate governments i.e., GOI in respect of Major Ports and state governments in respect of Non-Major Ports are empowered to frame Rules and Regulations. The Ministry of Labor and Employment has notified the Dock Workers (Safety, Health and Welfare) Regulations, 1990 applicable to all Major Ports in the country. The relevant state governments may by notification in the official gazette make regulations in consistent with the Dock Workers Safety Act for providing for the safety and health and welfare of dock workers.

Contract Labor (Regulation and Abolition) Act, 1970

The Contract Labor (Regulation and Abolition) Act, 1970, as amended (the "**CLRA**"), regulates the employment of workers hired on the basis of individual contracts in certain establishments. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labor. The CLRA vests the responsibility with the principal employer of an establishment to register as an establishment that engages contract labor. Likewise, every contractor to whom the CLRA applies must obtain a license and may not undertake or execute any work through contract labor except in accordance with the license issued. Penalties, including both fines and imprisonment, may be levied for contravention of the CLRA. Penalties for non-compliance include imprisonment up to three months or a fine, or both.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948, as amended (the "**MWA**"), provides for a minimum wage payable by employers to employees. Under the MWA, every employer is required to pay the minimum wage to all employees, whether for skilled, unskilled, manual or clerical work, in accordance with the minimum rates of wages that have been fixed and revised under the MWA. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate state government. Contravention may result in imprisonment for up to six months or a fine, or both. State governments may stipulate a higher penalty for contravention, if it is deemed fit to do so.

Payment of Wages Act, 1936

The Payment of Wages Act, 1936, as amended (the "**PWA**"), regulates payment of wages to certain classes of employees and makes every employer responsible for payment of wages to persons employed by such employer. No deductions are permitted from, nor is any fine permitted to be levied on, wages earned by a person employed except as provided under the PWA. Penalties under the PWA include a fine.

Employee's Compensation Act, 1923

The Employee's Compensation Act, 1923, as amended (the "**ECA**"), makes every employer liable to pay compensation if injury, disability or death is caused to an employee (including those employed through a contractor) due to an accident arising out of or in the course of employment. If the employer fails to pay the compensation due under the ECA within a month from the date it falls due, the commissioner shall direct the employer to pay the compensation along with interest and may impose a penalty for non-payment.

The Employee's Compensation (Amendment) Act, 2017(the "**Amendment Act**") which amended the ECA in order to create an obligation upon an employer to inform their employees of their right to compensation under the ECA. The failure to abide by such obligation may be penalized with a fine of up to ₹100,000. Further, the ECA permits an appeal against orders in relation to compensation, distribution of compensation and awards of penalty if the dispute concerns an amount of ₹300 and above.

Employee State Insurance Act, 1948

The Employee State Insurance Act, 1948, as amended (the "**ESIA**"), requires the provision of certain benefits to employees or their beneficiaries in the event of sickness, maternity, disability or employment injury. The ESIA contemplates payment of a contribution by the principal employer and each employee to the Employee State Insurance Corporation of India. Penalties for failure to make contributions under the ESIA include imprisonment for a term which may extend to three years (which shall not be less than (i) one year in case of failure to pay the employee's contribution which has been deducted by him from the employee's wages, or (ii) six months in any other case) and a fine.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended (the "**EPFA**"), institutes provident funds for the benefit of employees in factories, industrial undertakings and other establishments notified by the Government from time to time. Contributions are required to be made by employers and employees to a provident fund and pension fund established and maintained by the Government. Further, pursuant to a notification dated May 18, 2020, there is a reduction in provident fund contributions to be made by both employers and employees for the months of May, June and July 2020, owing to the COVID-2019 pandemic.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, as amended (the "**PGA**"), an employee who has been in continuous service for five years is eligible for gratuity on retirement, resignation, death or disablement due to accident or disease. Entitlement to gratuity in the event of superannuation or death or disablement due to accident or disease is not contingent on an employee having completed five years of continuous service.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965, as amended (the "**PBA**"), provides for payment of a minimum annual bonus to all employees regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Contravention of the PBA by a company is punishable by imprisonment up to six months or a fine, or both, against persons in charge of, and responsible to the company for, the conduct of the business of the company at the time of contravention.

Code on Wages, 2019

The Code on Wages, 2019 (the "**Wage Code**") seeks to consolidate and amend four existing labor laws relating to wages, namely, the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936 and the Payment of Bonus Act, 1965. Though the Code received the President's assent on August 8, 2019, it will be brought into force only once the appointed date for its implementation is notified by the Central Government. The Government is empowered to bring into force the various provisions of the Code in a staggered manner. The Wage Code proposes to extend the benefits and make the requirements prescribed with respect to payment of wages and minimum wages applicable to all types of establishments irrespective of their nature of business or activities. The Wage Code proposes a common definition of the term "wages" as opposed to the separate definitions in the erstwhile laws. This will enable employers to take a consistent and uniform approach and avoid multiple interpretations. The Code makes it mandatory for the employer to pay within seven days from expiry of the wage period, irrespective of the size of the establishment. It introduces the concept of "floor wages", which will be fixed by the Central Government taking into account the minimum living standards of a worker. Once the Wage Code comes into force, the minimum rates of wages fixed by the State Government cannot be less than floor wages as determined by the Central Government.

Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations, namely the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Cine Workers Welfare Fund Act, 1981, the Building and Other Construction Workers Cess Act, 1996, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The code seeks to universalize social security and extend it to all workers, including gig workers. This code proposes the creation of the following social security organisations namely, the Central Board of Trustees for the Employees Provident Fund, the Employees State Insurance Corporation, the National Social Security Board for unorganized workers, the State Unorganised Workers' Social Security Board, and the State Building Workers' Welfare Boards to administer the various social security schemes included in the code. The benefits of the schemes are proposed to be paid out of funds comprising employer and employees contribution and may also include funds from the Central or State Government or from the corporate social responsibility fund.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labor (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labor, journalists, audio-visual workers and sales promotion employees.

Environmental Legislations

The three major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974 (the "**Water Act**"), the Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**") and the Environment Protection Act, 1986 (the "**EPA**"), each as amended. The Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries are categorized as a red, orange or green category industry by the Central Pollution Control Board and are required to obtain consent orders from the PCBs, and these orders are required to be renewed prior to their expiry.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974, as amended ("**Water Act**") prohibits the use of any stream or well for disposal of polluting matter, in violation of standards set down by the State Pollution Control Board ("**SPCB**"). The Water Act also provides that the consent of the SPCB must be obtained prior to opening of, *inter alia*, any industry, new outlets or discharges, which is likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981, as amended ("**Air Act**") under which any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must obtain consent from the state pollution control board prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. The Air Act empowers the State Government, after consultation with the SPCBs, to declare any area or areas within the State as air pollution control area or areas.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended ("**Wastes Rules**") fixes the responsibility of the occupier of the premises and the person in possession of hazardous or other waste to properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. When an accident occurs at the facility of the occupier handling hazardous or other waste or during transportation of the same, then the SPCB has to be immediately alerted. The occupier is liable for all damages caused to the environment or a third party due to improper handling and management of the hazardous and other waste, and in addition, may be fined for any violation of the Wastes Rules.

Bio-Medical Waste Management Rules 2016

The Bio-Medical Waste Management Rules 2016, as amended ("**Bio-Waste Rules**") was introduced to improve the collection, segregation, processing, treatment and disposal of bio-medical wastes. The Bio-Waste Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose, or handle bio medical waste in any form. An authorization is required from the prescribed authority (such as the State Pollution Control Boards) under the Bio-Waste Rules to handle bio-medical wastes.

Environmental Policy of the GMB

The GMB implements an environmental policy which aims to achieve compliance with relevant environmental laws, minimize environmental impact of port operations and seek continual improvement in the environmental performance of all GMB ports. The GMB will integrate environmental issues in its own operations and in its contracts with third parties. The policy seeks to ensure that projects comply with the legal requirements and in line with Coastal Zone Management Plans ("**CZMP**").

Coastal Regulation Zone Notification, 2018

The GOI issued the Coastal Regulation Zone ("**CRZ**") Notification, 2018 ("**CRZ Notification 2018**") under Sections 3(1) and 3(2)(v) of the EPA and Rule 5(3)(d) of the Environment (Protection) Rules 1986, for the purposes of conserving and protecting the coastal environment. The CRZ Notification 2018 was passed in supersession of the Coastal Regulation Zone Notification, 2011 dated January 6, 2011. Pursuant to the CRZ Notification 2018, the GOI has declared the coastal stretches of the country and the water area up to its territorial water limit, excluding the islands of Andaman and Nicobar and Lakshadweep and the marine areas surrounding these islands, which are influenced by tidal action up to 500 meters from the High Tide Line ("**HTL**"), the land between HTL and 50 meters or width of the creek, the land between the Low Tide Line ("**LTL**") and the HTL as Coastal Regulation Zone and the water and the bed area between the LTL and the territorial water limit (12 nautical miles) as Coastal Regulation Zone; and certain restrictions on the setting up and expansion of industries, operations or processes, in the said notification. The CRZ Notification 2018 provides a list of prohibited activities and regulates the permissible activities. Operational constructions for ports and harbors, jetties, quays, wharves, erosion control measures, breakwaters, pipelines, lighthouses, navigational safety facilities, coastal police stations, Indian coast guard stations and the like has been identified as an activity requiring environmental and CRZ clearance from the MoEF. The CRZ Notification 2018 further divides the coastal zone into four zones and lays down the activities that can be undertaken in each area.

Environmental Impact Assessment Notification, 2006

The Ministry of Environment and Forest issued the Environmental Impact Assessment Notification, 2006 under Rule 5(3) of the Environment (Protection) Rules, 1986, as amended, replacing the erstwhile Environmental Impact Assessment Notification, 1994, for imposing certain restrictions and prohibitions on new projects or activities, or on the expansion or modernization of existing projects or activities based on their potential environmental impacts as indicated in the Schedule to the notification, being undertaken in any part of India, unless prior environmental clearance has been accorded in accordance with the objectives of National Environment Policy as approved by the Union Cabinet on May 18, 2006 and the procedure specified in the notification, by the GOI or the State or Union territory Level Environment Impact Assessment Authority ("**SEIAA**"), to be constituted by the GOI.

The following projects or activities shall require prior environmental clearance from the concerned regulatory authority, which shall hereinafter referred to be as the GOI in the Ministry of Environment and Forests for matters falling under Category 'A' in the Schedule and at State the SEIAA for matters falling under Category 'B' in the said Schedule, before any construction work, or preparation of land by the project management except for securing the land, is started on the project or activity:

(i) All new projects or activities listed in the Schedule to this notification;

(ii) Expansion and modernization of existing projects or activities listed in the Schedule to this notification with addition of capacity beyond the limits specified for the concerned sector, that is, projects or activities which cross the threshold limits given in the Schedule, after expansion or modernization;

(iii) Any change in product — mix in an existing manufacturing unit included in Schedule beyond the specified range.

The environmental clearance process for new projects will comprise of a maximum of four stages, all of which may not apply to particular cases as set forth below in this notification. These four stages in sequential order are:

- Stage (1) Screening (Only for Category 'B' projects and activities)
- Stage (2) Scoping
- Stage (3) Public Consultation
- Stage (4) Appraisal

Foreign Exchange Laws

The laws relating to ECBs are embodied in the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 and the rules, regulations, circulars or notifications issued by the RBI in relation to ECBs including the Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations issued by the RBI on March 26, 2019, the circular on External Commercial Borrowings (ECB) Policy — Rationalisation of End-use Provisions dated July 30, 2019 and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, each as amended (together, the "**ECB Guidelines**").

ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approval, whereas the approval route requires a prior RBI approval. The ECB Guidelines classify ECBs under two categories (i) foreign currency denominated ECBs ("**FCY ECB**"); and (ii) Rupee denominated ECBs ("**INR ECB**").

In accordance with the ECB Guidelines, all entities that are eligible to receive foreign direct investment are classified as eligible borrowers for availing ECBs. Additionally, the ECB Guidelines also allows (i) port trusts; (ii) units in a special economic zone; (iii) Small Industries Development Bank of India; (iv) Export Import Bank of India; and (v) registered entities engaged in micro-finance activities, namely, registered not for profit companies, registered societies, trusts, cooperatives and non-government organizations (which are permitted only to raise INR ECBs) to raise ECBs.

An entity raising FCY ECB is required to follow hedging guidelines issued, by the concerned sectoral or prudential regulator in respect of foreign currency exposure. Infrastructure space companies are required to have a board approved risk management policy and are required to mandatorily hedge 70% of their ECB exposure in case the average maturity of the ECB is less than five years. The designated AD Category-I bank shall verify that the 70% hedging requirement is complied with during the tenor of the ECB and report the position to RBI through Form ECB 2 returns.

Pursuant to the ECB Guidelines any resident of a Financial Action Task Force ("**FATF**") or an International Organization of Securities Commission ("**IOSCO**") compliant country will qualify as a recognized lender or investors eligible to provide ECBs to Indian entities. Additionally, multilateral and regional financial institutions where India is a member country will also be considered as recognized lenders or investors. Further, the ECB Guidelines permit individuals as ECB lenders if they are foreign equity holders or if bonds or debentures are listed abroad.

The ECB Guidelines permit refinancing of existing ECB by fresh ECB provided that the outstanding maturity of the original borrowing is not reduced and all-in-cost of fresh ECB is lower than the all-in-cost of existing ECB. Further, Indian banks are permitted to participate in refinancing of an existing ECB, only those raised by highly rated corporates (AAA) and or by Maharatna/Navratna public sector undertakings.

In relation to the utilization of the ECB proceeds, the negative list for both FCY ECB and INR ECB includes: (i) real estate activities; (ii) investment in capital market; and (iii) equity investment. Additionally, proceeds from an ECB cannot be utilized for (i) working capital purposes; (ii) general corporate purposes; and (iii) repayment of Rupee loans (except from a foreign equity holder and except as provided below). Additionally, for all ECBs, on-lending for any of the abovementioned activities is prohibited under the ECB Guidelines.

The RBI issued a circular on July 30, 2019 in relation to "External Commercial Borrowings Policy — Rationalization of End-use Provisions" with a view to liberalize the end-use restrictions under the ECB Guidelines. The circular has modified the end-use restrictions such that the proceeds of ECB can be used towards working capital purposes and general corporate purposes, provided that the minimum average maturity period ("**MAMP**") of such ECB is at least 10 years. In addition to the above, ECBs with a MAMP of seven years can also be availed by eligible borrowers (including NBFCs) for repayment of rupee loans availed domestically for capital expenditure. Further, the proceeds of ECB can now be used by eligible borrowers (including NBFCs) for repayment of rupee loans availed for purposes other than capital expenditure and for on-lending by NBFCs for the same purpose subject to compliance with MAMP of at least 10 years. Manufacturing companies as eligible ECB borrowers may avail up to U.S.$50 million or its equivalent per financial year with a MAMP of one year. ECBs raised from foreign equity holders for working capital purposes, general corporate purposes or for repayment of Rupee loans maybe availed with an MAMP of five years. In all other cases, the MAMP prescribed under the ECB Guidelines is three years.

The circular also permits eligible corporate borrowers to avail ECBs for (i) repayment of rupee loans availed domestically for capital expenditure in manufacturing and infrastructure sectors if such loans are classified as special mention account category 2 or as non-performing assets under a one-time settlement; and (ii) Indian banks to sell, by means of assignment, such loans as mentioned above, to eligible ECB lenders, provided that the resultant ECB from such offshore lender complies with the all-in-cost, MAMP and other relevant norms of the ECB framework.

The maximum amount which can be raised every fiscal year by an eligible borrower under the automatic route is U.S.$750 million or its equivalent. The all-in cost (which includes rate of interest, other fees and expenses in foreign currency or Rupees but does not include commitment fees, payments for withholding tax in Rupees), for both FCY ECB and INR ECB is set at the benchmark rate plus 450 basis points spread. As per the ECB Guidelines, various components of all-in-cost have to be paid by an ECB borrower without taking recourse to the drawdown of ECB, i.e. ECB proceeds cannot be used for payment of interest or charges.

Filing and Regulatory Requirements in relation to Issuance of Notes

An ECB borrower is required to obtain a loan registration number ("**LRN**") from the RBI before an issuance of Notes. To obtain this, ECB borrowers are required to submit a completed Form ECB certified by a company secretary or a chartered accountant to the authorized dealer Category 1 bank ("**AD Bank**") of the ECB borrower.

The AD Bank is then required to forward the completed Form ECB to the RBI. An ECB borrower is required to submit an ECB-2 Return on a monthly basis via its AD Bank to the RBI (to report actual ECB transaction within seven days of the month to which it related).

Security creation in relation to the Notes

Security can be created by Indian borrowers or obligors over immovable or movable property, shares and other securities, in favor of a non-resident lender/security trustee and as a condition to the grant of such security, the Indian borrower is required to obtain a 'no-objection' certificate from their designated AD Bank (and the borrower's existing lenders if applicable). An AD Bank can issue no-objection certificates to Indian borrowers or obligors provided *inter alia*, the following conditions are satisfied: (i) the 'no objection' certificate shall be granted only to an Indian resident borrower or other obligor; (ii) the period of the charge has to be the same as the loan maturity; in case of immovable assets: the 'no objection' certificate is not to be construed as a permission to acquire immovable asset (property) in India, by an non-resident lender or security trustee; and (iii) in the event of enforcement of the charge or other security interest, the immovable asset (property) cannot be transferred to a non-resident and has to be sold only to a person resident in India and the sale proceeds used to repay the outstanding loan.

Procedure in relation to any change to the Terms and Conditions of the Notes

Changes in ECB parameters in consonance with the ECB norms, including reduced repayment by mutual agreement between the lender and borrower, should be reported to the Department of Statistics and Information Management of the RBI through revised Form ECB at the earliest, in any case not later than seven days from the changes effected. Such changes may be approved by the AD Bank to the extent of delegation provided for in the ECB Guidelines or by the RBI if so required. Certain changes such as a change in the name of borrower or lender, transfer of ECB and any such other parameters may be approved by the AD Bank, provided the revised terms comply with extant ECB norms and are with the consent of lender. Any redemption of the Notes prior to their stated maturity, including on the occurrence of an Event of Default or change of control trigger event or for taxation reasons (as further described in the Terms and Conditions) will require the prior approval of the RBI.

Foreign Currency (Non-Resident) Borrowings

In the Master Direction — Reserve Bank of India (Interest Rate on Deposits) Directions, 2016, read with the Master Direction — Reserve Bank of India (Interest Rate on Advances) Directions, 2016, as amended ("**Interest on Advances Directions**"), the RBI sets out the revised framework in relation to the Foreign Currency (Non-resident) Accounts (Banks) Scheme. Pursuant to the Interest on Advances Directions, banks can determine the interest rates on advances in foreign currency in accordance with the comprehensive policy on interest rates on advances duly approved by the board of directors or any committee of the board of directors to which such powers have been delegated. The interest rate is required to be determined with reference to a market determined external benchmark and the actual lending rates are required to be determined by adding the components of spread to the external benchmark. Further, the banks shall ensure that interest rates offered shall be reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required.

PRINCIPAL SHAREHOLDERS

The Promoters of our Company are Mr. Gautam S. Adani and Mr. Rajesh S. Adani. The shareholding pattern of our Company as at September 30, 2020 was as indicated in the table below:

Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV) + (V) + (VI)	(VIII) As a % of (A + B + C2)	(IX)				(X)	(XI) = (VII) + (X) As a % of (A+ B + C2)	(XII)		(XIII)		(XIV)
1	**Indian**																		
	Individuals/Hindu																		
	Undivided Family	–	2	2	–	–	2	0.00	2	–	2	0.00	–	0.00	–	0.00	–	0.00	2
	Gautambhai Shantilal Adani	ABKPA0965H	1	1	–	–	1	0.00	1	–	1	0.00	–	0.00	–	0.00	–	0.00	1
(a)	Rajeshbhai Shantilal Adani	ABKPA0962A	1	1	–	–	1	0.00	1	–	1	0.00	–	0.00	–	0.00	–	0.00	1
(b)	**GOI/State Government(s)**	**–**	**–**	**–**	**–**	**–**	**–**	**0.00**	**–**	**–**	**–**	**0.00**	**–**	**0.00**	**–**	**0.00**	**–**	**0.00**	**–**
(c)	**Financial Institutions/Banks**	**–**	**–**	**–**	**–**	**–**	**–**	**0.00**	**–**	**–**	**–**	**0.00**	**–**	**0.00**	**–**	**0.00**	**–**	**0.00**	**–**
	Any Other (Specify)	**–**	**3**	**937,577,484**	**–**	**–**	**937,577,484**	**46.15**	**937,577,484**	**–**	**937,577,484**	**46.15**	**–**	**46.15**	**–**	**0.00**	**399,068,389**	**42.56**	**937,577,484**
	Held by respective trustees (beneficial holders family trusts)																		
	Gautambhai Shantilal Adani & Rajeshbhai Shantilal Adani (on behalf of S. B. Adani Family Trust)	AAFTS2164Q	1	799,353,935	–	–	799,353,935	39.34	799,353,935	–	799,353,935	39.34	–	39.34	–	0.00	370,160,942	46.31	799,353,935
	Gautambhai Shantilal Adani & Pritiben Gautambhai Adani (on behalf of Gautam S. Adani Family Trust)	AAATG3082A	–	–	–	–	–	0.00	–	–	–	0.00	–	0.00	–	0.00	–	0.00	–
	Rajeshbhai Shantilal Adani & Shilin Rajeshbhai Adani (on behalf of Rajesh S. Adani Family Trust)	AAATR3801Q	1	30,000	–	–	30,000	0.00	30,000	–	30,000	0.00	–	0.00	–	0.00	–	0.00	30,000
	Bodies Corporate																		
	Adani Properties Private Limited	AABCA3182H	–	–	–	–	–	0.00	–	–	–	0.00	–	0.00	–	0.00	–	0.00	–

Category	Category & Name of shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights										
									Class eg: X	Class eg: y	Total				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV) + (V) + (VI)	(VIII) As a % of (A + B + C2)	(IX)				(X)	(XI) = (VII) + (X) As a % of (A+ B + C2)	(XII)		(XIII)		(XIV)
(d)	Adani Tradeline LLP	AATFP8822A	1	138,193,549	–	–	138,193,549	6.80	138,193,549	–	138,193,549	6.80	–	6.80	–	0.00	28,907,447	20.92	138,193,549
	Sub Total (A)(1)	**–**	**5**	**937,577,486**	**–**	**–**	**937,577,486**	**46.15**	**937,577,486**	**–**	**937,577,486**	**46.15**	**–**	**46.15**	**–**	**0.00**	**399,068,389**	**42.56**	**937,577,486**
2	**Foreign**																		
(a)	**Individuals (non-resident Individuals/Foreign Individuals**	–	–	–	–	–	–	**0.00**	–	–	–	0.00	–	0.00	–	0.00	–	0.00	–
(b)	Government	–	–	–	–	–	–	0.00	–	–	–	0.00	–	0.00	–	0.00	–	0.00	–
(c)	**Institutions**	**–**	–	–	–	–	–	**0.00**	–	–	–	0.00	–	0.00	–	0.00	–	0.00	–
(d)	**Foreign Portfolio Investor**	–	–	–	–	–	–	**0.00**	–	–	–	0.00	–	0.00	–	0.00	–	0.00	–
(e)	**Any Other (Specify)**																		
	Bodies Corporate	**–**	**5**	**338,106,456**	**–**	**–**	**338,106,456**	**16.64**	**338,106,456**	**–**	**338,106,456**	**16.64**	**–**	**16.64**	**–**	**0.00**	**–**	**0.00**	**338,106,456**
	Worldwide Emerging Market Holding Limited	AABCW7941G	1	77,756.181	–	–	77,756.181	3.83	77,756.181	–	77,756.181	3.83	–	3.83	–	0.00	–	0.00	77,756.181
	Universal Trade And Investments Limited	AABCU9283H	1	79,541,248	–	–	79,541,248	3.91	79,541,248	–	79,541,248	3.91	–	3.91	–	0.00	–	0.00	79,541,248
	Afro Asia Trade and Investments Limited	AAOCA3024D	1	89,945,212	–	–	89,945,212	4.43	89,945,212	–	89,945,212	4.43	–	4.43	–	0.00	–	0.00	89,945,212
	Emerging Market Investment DMCC	AAECE5306L	1	84,179,195	–	–	84,179,195	4.14	84,179,195	–	84,179,195	4.14	–	4.14	–	0.00	–	0.00	89,945,212
	Flourishing Trade and Investment Limited	AADCF5861A	1	24,306,696	–	–	24,306,696	1.20	24,306,696	–	24,306,696	1.20	–	1.20	–	0.00	–	0.00	24,306,696
	Sub Total (d)(2)	**–**	**5**	**355,728,532**	**–**	**–**	**355,728,532**	**17.51**	**355,728,532**	**–**	**355,728,532**	**17.51**	**–**	**17.51**	**–**	**0.00**	**–**	**0.00**	**355,728,532**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**–**	**10**	**1,293,306,018**	**–**	**–**	**1,293,306,018**	**63.65**	**1,293,306,018**	**–**	**1,293,306,018**	**63.65**	**–**	**63.65**	**–**	**0.00**	**399,068,389**	**30.86**	**1,293,306,018**

Statement showing shareholding pattern of public shareholders

Category	Category & Name of shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights										
									Class eg: X	Class eg: y	Total				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV) + (V) + (VI)	(VIII) As a % of (A + B + C2)	(IX)				(X)	(XI) = (VII) + (X) As a % of (A+ B + C2)	(XII)		(XIII)		(XIV)
1	**Institutions**																		
(a)	**Mutual Fund**	–	30	81,011,589	–	–	81,011,589	3.99	81,011,589	–	81,011,589	3.99	–	81,011,589	–	0.00	–	–	81,011,589
(b)	**Venture Capital Funds**	–	–	–	–	–	–	0.00	0	–	–	0.00	–	0.00	–	0.00	–	–	–
(c)	**Alternate Investment Funds**	–	5	223,371	–	–	223,371	0.01	223,371	–	223,371	0.01	0.00	223,371	–	–	–	–	223,371
(d)	**Foreign Venture Capital Investors***	–	–	–	–	–	–	0.00	0	–	–	–	–	–	–	0.00	–	–	–
	Foreign Portfolio Investor	–	507	346,380,448	–	–	346,380,448	17.05	346,380,448	–	346,380,448	17.05	–	17.05	–	0.00	–	–	346,380,448
	Europacific Growth Fund	AAAAE0997R	1	28,847,869	–	–	28,847,869	1.42	28,847,869	–	28,847,869	1.42	–	1.42	–	0.00	–	–	28,847,869
	Camas Investments Pte Ltd	AABCN3163H	1	26,343,229	–	–	26,343,229	1.30	26,343,229	–	26,343,229	1.30	–	1.30	–	0.00	–	–	26,343,229
(e)	**Financial Institutions/Banks**	–	5	197,881	–	–	197,881	0.01	197,881	–	1,97,881	0.01	–	0.01	–	0.00	–	–	197,881
(f)	**Insurance Companies**	–	18	252,505,747	–	–	252,505,747	12.43	252,505,747	–	252,505,747	12.43	–	12.43	–	0.00	–	–	252,505,747
	Life Insurance Corporation of India	AAACL0582H	1	241,858,130	–	–	241,858,130	11.90	241,858,130	–	241,858,130	11.90	–	11.90	–	0.00	–	–	241,858,130
	Sub Total (B)(1)	–	565	680,319,036	–	–	680,319,036	33.48	680,319,036	–	680,319,036	33.48	–	33.48	–	0.00	–	–	680,319,036
2	**GOI/State Government(s)/ President of India**	–	3	1,674,160	–	–	1,674,160	0.08	1,674,160	–	1,674,160	0.08	–	0.08	–	0.00	–	–	1,674,160
	Sub Total (B)(2)	–	3	1,674,160	–	–	1,674,160	0.08	1,674,160	–	1,674,160	0.08	–	0.08	–	0.00	–	–	1,674,160

Category	Category & Name of shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV) + (V) + (VI)	(VIII) As a % of (A + B + C2)	(IX)				(X)	(XI) = (VII) + (X) As a % of (A+ B + C2)	(XII)		(XIII)		(XIV)
3	**Non-Institutions**																		
	Individuals																		
	i. Individual shareholders holding nominal share capital up to ₹200,000	–	**280,917**	**36,913,119**	–	–	**36,913,119**	**1.82**	**36,913,119**	–	**36,913,119**	**1.82**	–	**1.82**	–	**0.00**	–	–	**36,544,537**
	ii. Individual shareholders holding nominal share capital in excess of ₹200,000	–	**24**	**10,058,350**	–	–	**10,058,350**	**0.50**	**10,058,350**	–	**10,058,350**	**0.50**	–	**0.50**	–	**0.00**	–	–	**10,058,350**
	NBFC's registered with RBI	–	**4**	**36,352**	–	–	**36,352**	**0.00**	**36,352**	–	**36,352**	**0.00**	–	**0.00**	–	**0.00**	–	–	**36,352**
	Employee Trusts	–	–	–	–	–	–	**0.00**	–	–	–	**0.00**	–	**0.00**	–	**0.00**	–	–	–
	Overseas Depositories (holding DRs) (balancing figure)	–	–	–	–	–	–	**0.00**	–	–	–	**0.00**	–	**0.00**	–	**0.00**	–	–	–
	Any Other (Specify)	–	**12,735**	**9,444,726**	–	–	**9,444,726**	**0.46**	**94,44,726**	–	**9,444,726**	**0.46**	–	**0.46**	–	**0.00**	–	–	**9,439,078**
	IEPF	–	1	178,304	–	–	178,304	0.01	178,304	–	178,304	0.01	–	0.01	–	0.00	–	–	178,304
	Trusts	–	8	330,439	–	–	330,439	0.02	330,439	–	330,439	0.02	–	0.02	–	0.00	–	–	330,439
	Foreign Nationals	–	3	14,623	–	–	14,623	0.00	14,623	–	14,623	0.00	–	0.00	–	0.00	–	–	14,623
	Hindu Undivided Family	–	8,288	3,114,408	–	–	3,114,408	0.15	3,114,408	–	3,114,408	0.15	–	0.15	–	0.00	–	–	3,114,408
	Non Resident Indians	–	3,614	1,184,555	–	–	1,184,555	0.06	1,184,555	–	1,184,555	0.06	–	0.06	–	0.00	–	–	1,184,555
	Foreign Portfolio Investor (Individual)	–	1	8,570	–	–	8,570	0.00	8,570	–	8,570	0.00	–	0.00	–	0.00	–	–	8,570
	Clearing Member	–	194	1,012,629	–	–	1,012,629	0.05	1,012,629	–	1,012,629	0.05	–	0.05	–	0.00	–	–	1,012,629
	Bodies Corporate	–	626	3,601,198	–	–	3,601,198	0.18	3,601,198	–	3,601,198	0.18	–	0.18	–	0.00	–	–	3,595,550
	Sub Total (B)(3)	–	293,680	56,452,547	–	–	56,452,547	2.78	56,452,547	–	56,452,547	2.78	–	2.78	–	0.00	–	–	56,078,317
	Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	–	**294,248**	**738,445,743**	–	–	**738,445,743**	**36.35**	**738,445,743**	–	**738,445,743**	**36.35**	–	**36.35**	–	**0.00**	–	–	**738,071,513**

* Refers to foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.

Shareholdings of persons belonging to the category "Promoter and Promoter Group" as at September 30, 2020 is detailed in the table below:

Name of the Shareholder	No. of Equity Shares held	As a% of total
Mr. Gautam S. Adani	1	0.00
Mr. Rajesh S. Adani	1	0.00
Gautam S. Adani/Rajesh S. Adani (On behalf of S B Adani Family Trust)	799,353,935	39.34
Rajesh S. Adani/Shilin R. Adani (On behalf of Rajesh S Adani Family Trust)	30,000	0.00
Adani Tradeline LLP.	138,193,549	6.80
Worldwide Emerging Market Holding Ltd, Mauritius	77,756,181	3.83
Universal Trade and Investments Ltd., Mauritius	79,541,248	3.91
Afro Asia Trade and Investments Limited,	89,945,212	4.43
Emerging Market Investment DMCC	84,179,195	4.14
Flourishing Trade and Investment Ltd	24,306.696	1.20
Total	**1,293,306,018**	**63.65**

DESCRIPTION OF THE ADANI GROUP

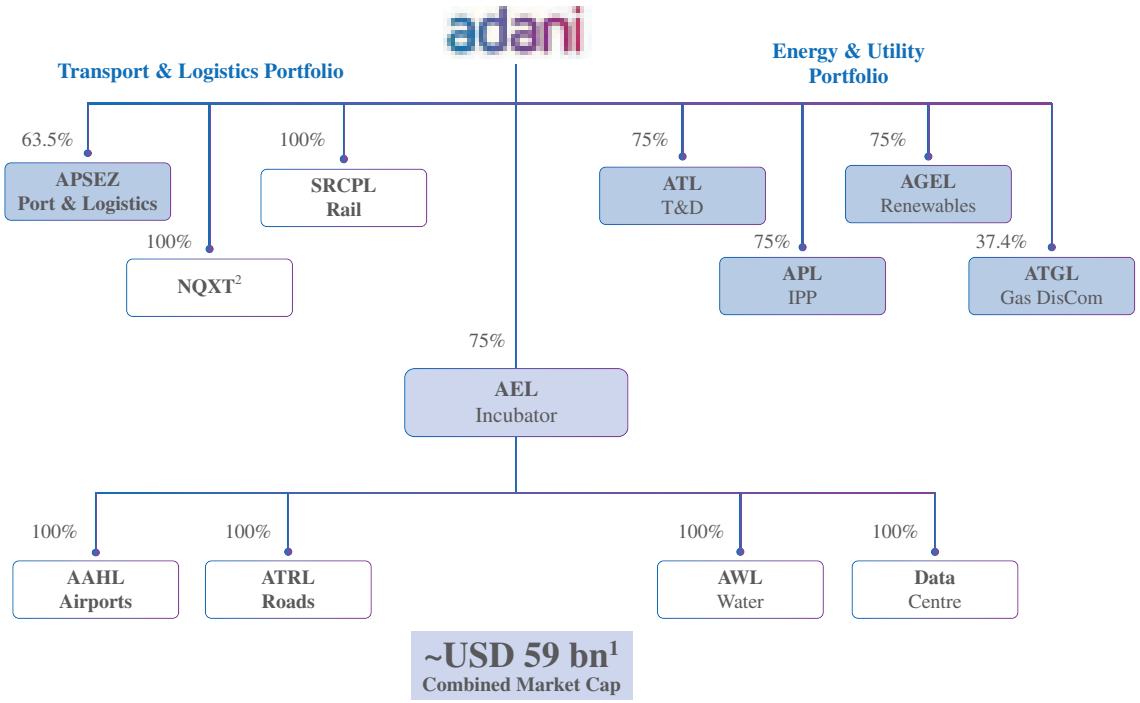
Overview

Adani Group is a multinational diversified business organization with significant interests across transport and logistics (ports and logistics, shipping, airports and rail) and energy and utility (power generation, transmission and distribution) sectors. The Adani Group includes six listed companies in India four of which are investment grade rated by international rating agencies and maintain robust coverage and liquidity, allowing them to access a diverse pool of capital at competitive cost. The Adani Group has transformed from a small-sized commodity trading business to an infrastructure creator meeting critical demand gaps in India.

As of January 4, 2021, the combined market capitalization of APSEZ, Adani Power Limited, Adani Enterprises Limited, Adani Green Energy Limited, Adani Transmission Limited and Adani Total Gas Limited was approximately U.S.$59 billion (source: Bloomberg).

Adani Group owes its success and leadership position to its core philosophy of 'Nation Building' driven by 'Growth with Goodness' — a guiding principle for sustainable growth. It is committed to increase its ESG footprint by realigning its businesses with emphasis on climate protection and increasing community outreach through its CSR programme based on the principles of sustainability, diversity and shared values.

Adani Group's focus is to shift from being a pure business-to-business player to also be a business-to-consumer player. For example, Adani Electricity has an electricity distribution network that powers Mumbai, India. Adani Airports is operating, managing and developing eight airports in India and Adani Total Gas Limited has a distribution network that serves key geographies across India.



Note — Percentages denote promoter holding APSEZ: Adani Ports and Special Economic Zone Limited; NQXT: North Queensland Export Terminal; SRPCL: Sarguja Rail Corridor Private Limited; ATL: Adani Transmission Limited; APL: Adani Power Limited; AGEL: Adani Green Energy Limited; ATGL: Adani Total Gas Limited; AEL: Adani Enterprises Limited; AAHL: Adani Airports Holdings Limited; ARTL: Adani Road Transport Limited; AWL: Adani Water Limited.

(1) Converted into Rupees at the rate of U.S.$1.00 = ₹73.02

(2) Adani Group companies in light blue boxes are publicly listed in India

The Adani Group is the largest utility player in India with an integrated value chain.

The following diagram presents the Adani Group's robust and proven model of infrastructure development:



Adani Group's Strengths

Adani Group has over the last three decades built reliable world class assets in India's utility and logistics space. The emphasis has always been on creating a value stream which is robust, predictable and having a long residual life.

Capital management is a very important pillar of Adani Group's development philosophy. The capital management program is aimed at reducing risk, establishing robust ESG practices and executing sound financial policy at each of the portfolio companies.

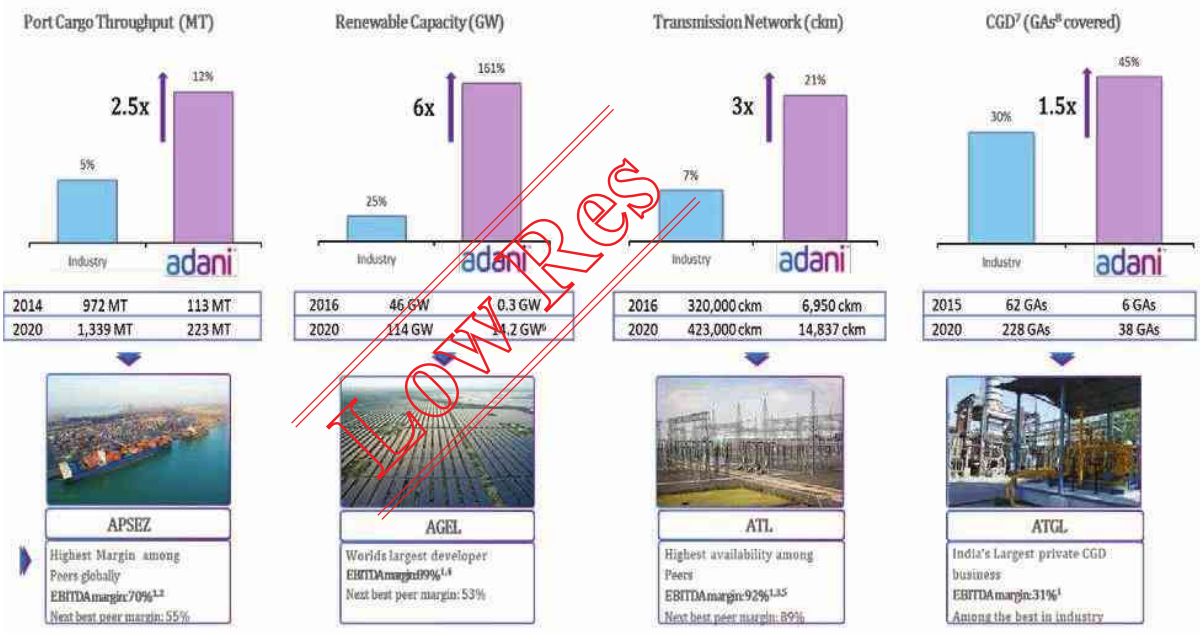
During the last financial year ended March 2020, the group has offered seven bond issuances across various maturity buckets ranging from five years to 30 years thus providing an entire range of yield curve to debt investors. It was successful in raising U.S.$7 billion of debt ensuring availability of long term credit at nominal price. This was probably the biggest debt program undertaken by any Group in India. Four of its entities, namely Adani Transmission Limited ("**ATL**"), Adani Electricity Mumbai Limited ("**AEML**"), Adani Green Energy Limited ("**AGEL**") and our Company are investment grade rated entities.

The Adani Group also brought in strategic partners in AEML (QIA took 25.2% equity stake), AGL (Total took 37.4% equity stake) and in AGEL (Total invested U.S.$510 million for 50% stake in its existing 2,148 MW renewable energy assets). By partnering with such mature firms, the Group has been able to establish its commitment to ESG and capital management. Our partnerships have allowed us to monetize on our de-risked operational assets, freeing up equity investments to boost the businesses and reduce founder pledges.

Large-scale businesses delivering consistent growth

The Adani Group has delivered consistent growth over the years through various large-scale business assets it owns such as the Mundra port, India's largest commercial port, the Mudra-Mohindergarh transmission system, which is one of the longest private high-voltage direct current electric power transmission system in Asia, with 1,980 ckms of transmission line, the Mundra station, India's largest private thermal power station and a solar power plant located in Tamil Nadu with a capacity of 648 MW, which is the largest single location solar power plant in India.

The below diagram illustrates key business attributes of the Adani Group which have been successfully applied across its infrastructure and utility platforms.



Notes:

(1) Data for Fiscal 2020.

(2) Margin for ports business only, Excludes forex gains/losses.

(3) EBITDA = PBT + Depreciation + Net Finance Costs - Other Income.

(4) EBITDA Margin represents EBITDA earned from power sales and exclude other items.

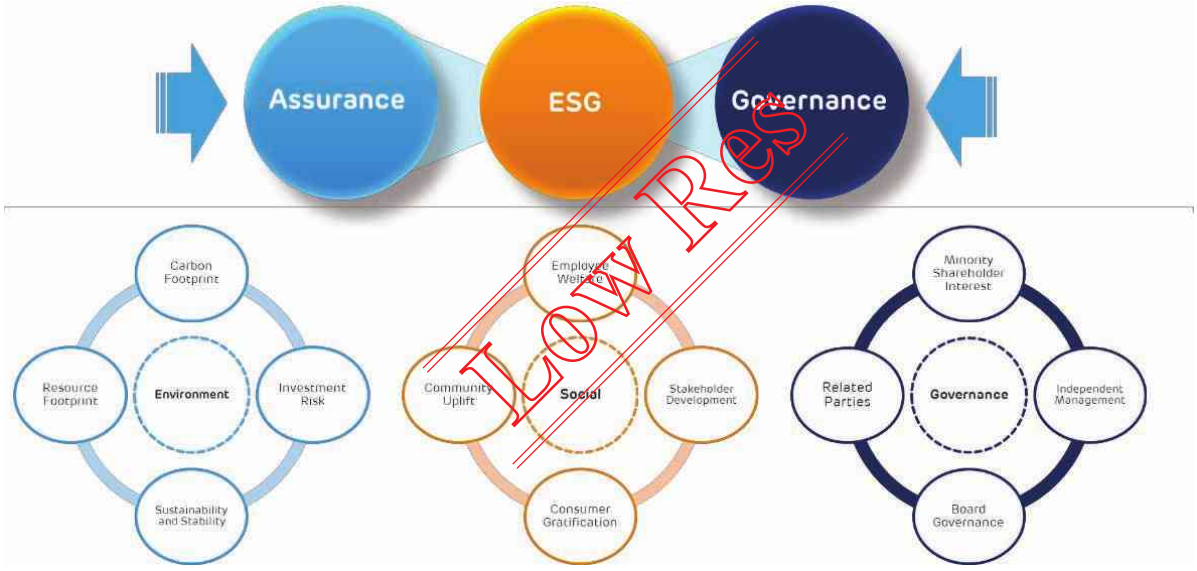
(5) EBITDA margin of transmission business only, does not include distribution business.

(6) Contracted & awarded capacity.

(7) CGD — City Gas distribution GAs.

(8) Geographical Areas — Including JV.

Adani Group ESG framework:



Low Res

Adani Group Climate Strategy:



LOW RES

CDP — Carbon Disclosure Project

TCFD — Task Force on Climate related Financial Disclosure

SBTi-Science Based Target initiative

DESCRIPTION OF MATERIAL INDEBTEDNESS

The following summary of certain provisions of our loan facilities, debentures and other indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying credit agreements, bonds and other documentation. Furthermore, this summary relates primarily to principal long-term indebtedness.

As at September 30, 2020, our total borrowings (indebtedness excluding corporate guarantees) outstanding were ₹365,174.6 million on a consolidated basis. The total borrowings (indebtedness) as at September 30, 2020 consisted of long-term borrowings, current maturities of long-term borrowings, short-term borrowings excluding customers' bills discounted. The borrowings include Rupee loans, foreign currency loans, bonds, notes, debentures and liability component of preference shares. Approximately 68.7% of our consolidated total outstanding borrowings as at September 30, 2020 were denominated in foreign currency, principally in U.S. dollars and others in Euros, with the remainder denominated in Rupees. Approximately 67.8% of our consolidated total outstanding borrowings as at September 30, 2020 was unsecured in nature.

As at September 30, 2020, of our total outstanding borrowings, ₹15,441.2 million were current borrowings.

Rupee Borrowings

Rupee Term Loans

Our Company and its Subsidiaries are party to facility agreements under which borrowings are denominated in Rupees ("**Rupee Bank Loans**") with banks and financial institutions. As at September 30, 2020, the aggregate outstanding amount of Rupee Bank Loans totaled ₹27,917.2 million on a consolidated basis.

Rupee Bank Loans bear interest at floating rates calculated with reference to the T-Bill Rates, repo rate and MCLR of the relevant lenders. Interest payments are generally payable monthly and must be made on each payment date as provided in the particular facility agreement. As at September 30, 2020, the interest rate applicable per annum on the Rupee Bank Loans ranged from 6.75% (with ₹7,925.0 million being outstanding) to 8.25% (with ₹1,786.0 million being outstanding) per annum.

The facilities are typically secured by a charge over our current and future assets including movable and immovable properties in relation to projects undertaken, intangible assets, contractual rights and interest, receivables and shares held in our Subsidiaries.

The following is a description of certain material terms of the Rupee Bank Loans.

HDFC Bank Limited

Our Company entered into a term loan agreement dated June 27, 2019 with HDFC Bank Limited for an aggregate amount of ₹15,000.0 million. It is to be repaid as bullet repayment after three years from date of first disbursement or on an exercise of option available to HDFC Bank Limited at the end of every 13 months. As at September 30, 2020, an amount of ₹9,891.8 million was outstanding under the Rupee term loan from banks. However, as on the date of this Offering Circular, there are no outstanding amounts under this facility.

Pursuant to the sanction letter dated June 11, 2020, our Company has availed a rupee term loan facility from HDFC Bank Limited for an aggregate amount of ₹5,000.0 million. It has a tenure of four years with structured half yearly payments from the date of first disbursement. As at September 30, 2020, the outstanding amount of the Rupee term loan from the bank was ₹5,000 million.

Our Subsidiary, DPCL entered into a term loan agreement dated July 12, 2016 with HDFC Bank Limited for an aggregate amount of ₹5,000.0 million. It is repayable in 24 quarterly installments ending in 2022. As at September 30, 2020, the outstanding amount of Rupee term loan from bank was ₹2,244.5 million.

Pursuant to the sanction letter dated June 30, 2020, our subsidiary, DPCL has availed a rupee term loan from HDFC Bank Limited for an aggregate amount of ₹3,000.0 million. It is repayable in 20 structured quarterly installments ending in June 2025. As at September 30, 2020, the outstanding amount of the Rupee term loan from the bank was ₹2,925.0 million.

Our Subsidiary, Adani Hazira entered into a term loan agreement dated April 30, 2019 with HDFC Bank Limited for an aggregate amount of ₹6,000.0 million. It is repayable in 12 quarterly instalments ending in 2024 or on an exercise of the option available to HDFC Bank Limited and Adani Hazira at the end of every 13 months. As at September 30, 2020, the outstanding amount of Rupee term loan from bank was ₹6,000.0 million.

ICICI Bank Limited

Our Step Down Subsidiary, Adani Agri Logistics Limited ("**AALL**") entered into a term loan agreement dated March 25, 2013 with ICICI Bank Limited for an aggregate amount of ₹4,500.0 million. It is repayable in monthly installments ending in 2025. As at September 30, 2020, an amount of ₹1,786.0 million was outstanding.

Rupee Debentures

10.50% Non-Convertible Debentures (allotted September 27, 2012)

In September 2012, our Company issued ₹7,750.0 million of 10-year secured, redeemable NCDs at a fixed rate of 10.50% per annum. The NCDs are listed on the whole-sale debt market segment of BSE and are secured by a charge over, *inter alia*, single-point mooring facilities and other ancillary fixed assets of our Company. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹398.1 million. The NCDs are redeemable in specified installments over a period of 10 years from September 27, 2012, the deemed date of allotment.

10.50% Non-Convertible Debentures (allotted March 2, 2013)

In March 2013, our Company issued ₹4,940.0 million of 10-year secured redeemable NCDs at a fixed rate of 10.50% per annum. The NCDs are listed on the BSE and are secured by, *inter alia*, a first ranking *pari passu* charge on Multi-purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal assets (excluding single-point mooring project assets, coal terminal project assets, capital goods having exclusive charge and SEZ land) and are subject to security cover of 1.25 times its mortgaged assets over all the outstanding debentures. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹4,940.0 million. The NCDs are redeemable in three equal annual installments at the end of the 8th, 9th and 10th year from March 2, 2013, the deemed date of allotment.

9.35% Non-Convertible Debentures (allotted May 27, 2016)

In May 2016, our Company issued ₹2,000.0 million of secured redeemable NCDs in two tranches of ₹1,000.0 million each for tenors of 7 years and 10 years, respectively at a fixed rate of 9.35% per annum. The NCDs are listed on the BSE and are secured by, *inter alia*, a first ranking *pari passu* charge on Multi-purpose Terminal 1, Terminal 2, and the Terminal 2 extension at Mundra Port, backup land in the village of Dhrab, Mundra and immovable property in relation to the railway lands and are subject to security cover of 1.10 times the aggregate of the principal amount of all debentures outstanding. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹1,986.3 million. Both tranches of NCDs are redeemable as bullet payments at the end of seven and ten years respectively from May 27, 2016, the deemed date of allotment.

9.35% Non-Convertible Debentures (allotted July 4, 2016)

In July 2016, our Company issued ₹2,520.0 million of 10-year redeemable NCDs at a fixed rate of 9.35% per annum. The NCDs are listed on the BSE and secured by, *inter alia*, a first ranking *pari passu* charge on coal terminal project assets (excluding Multi-purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal project assets, capital goods having exclusive charge and SEZ Land) in the village of Tunda Wandh, Mundra. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹2,514.2 million. The NCDs are redeemable as a bullet payment ten years from July 4, 2016, the deemed date of allotment.

8.24% Non-Convertible Debentures (allotted November 29, 2016)

In November 2016, our Company issued ₹13,000.0 million of NCDs which bear an interest rate of 8.24% per annum. The NCDs are listed on the wholesale debt market of BSE and secured by way of exclusive charge on project assets of Adani Vizag Coal Terminal Private Limited, Adani Kandla Bulk Terminal Private Limited and Adani Murmugao Port Terminal Private Limited. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹13,000.0 million. The NCDs are redeemable in three equal installments at the end of eighth, ninth and tenth year from November 29, 2016, the deemed date of allotment.

8.22% Non-Convertible Debentures (allotted March 8, 2017)

In March 2017, our Company issued ₹10,000.0 million of NCDs which bear an interest rate of 8.22% per annum. The NCDs are listed on the BSE and are secured by way of first *pari passu* charge in the form of mortgage on the fixed assets (freehold land, building, plant and machinery and marine structure) of the coal terminal at the Mundra Port. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹10,000.0 million. The NCDs are redeemable in three equal installments at the end of eighth, ninth and tenth year from March 8, 2017, the deemed date of allotment.

7.65% Non-Convertible Debentures (allotted August 31, 2017)

In August 2017, our Company issued ₹16,000.0 million of NCDs which bear an interest rate of 7.65% per annum. The NCDs are listed on the BSE and are secured by way of first *pari passu* charge in the form of hypothecation/assignment/mortgage/on the fixed assets (freehold land, building, plant and machinery and marine structure) of Adani Hazira Port Private Limited. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹15,867.2 million. The NCDs are redeemable in three equal installments at the end of eighth, ninth and tenth year from October 31, 2017, the deemed date of allotment.

7.50% Non-Convertible Debentures (allotted February 28, 2020)

In February 2020, our Company issued ₹1,550.0 million of NCDs which bear an interest rate of 7.50% per annum. The NCDs are listed on the BSE and secured by way of, *inter alia*, a first *pari passu* charge on coal terminal project assets in the village of Tunda Wandh, Mundra. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹1,550.0 million. The NCDs amounting to ₹700.0 million and ₹850.0 million are redeemable as a bullet payment on April 23, 2021 and June 15, 2021 respectively.

7.50% Non-Convertible Debentures (allotted March 20, 2020)

In March 2020, our Company issued ₹1,250.0 million of NCDs which bear an interest rate of 7.50% per annum. The NCDs are listed on the BSE and secured by way of, inter alia, a first *pari passu* charge on coal terminal project assets in the village of Tunda Wandh, Mundra. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹1,250.0 million. The NCDs are redeemable as a bullet payment on June 15, 2021.

8.50% Non-convertible Debenture (allotted April 13, 2020)

In April 2020, our Company issued ₹15,000.0 million of NCDs which bear an interest rate of 8.50% per annum. The NCDs are listed on the BSE and secured by way of, inter alia, a first *pari passu* charge on fixed assets (immovable and movable) pertaining to Multi-purpose Terminal 1 and Terminal 2 at Mundra Port and container terminal project assets at Mundra Port. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹14,855 million. The NCDs are redeemable as a bullet payment on April 13, 2030.

7.25% Non-Convertible Debentures (allotted May 27, 2020)

In May 2020, our Company issued ₹5,000.0 million of NCDs which bear an interest rate of 7.25% per annum. The NCDs are listed on the BSE and secured by way of, inter alia, a first *pari passu* charge on coal terminal project assets in the village of Tunda Wandh, Mundra. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹4,971.4 million. The NCDs are redeemable as a bullet payment on May 26, 2023.

7.25% Non-Convertible Debentures (allotted June 1, 2020)

In June 2020, our Company issued ₹1,000.0 million of NCDs which bear an interest rate of 7.25% per annum. The NCDs are listed on the BSE and secured by way of, inter alia, a first *pari passu* charge on coal terminal project assets in the village of Tunda Wandh, Mundra. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹988.4 million. The NCDs are redeemable as a bullet payment on June 1, 2023.

6.50% Non-Convertible Debentures (allotted September 11, 2020)

In September 2020, our Company issued ₹9,000.0 million of NCDs which bear an interest rate of 6.50% per annum. The NCDs are listed on the BSE and secured by way of, inter alia, a first *pari passu* charge on the fixed assets relating to the multipurpose jetty terminal-2 and container terminal -2 situated at Mundra port or on any of the other properties and assets of the Company and/or any Subsidiaries. As at September 30, 2020, the amount outstanding pursuant to the NCDs was ₹9,000.0 million. The NCDs are redeemable as a bullet payment on September 11, 2023.

Other Indebtedness

Our Company has also issued commercial paper and has entered into facility agreements which are primarily used for short term working capital requirements and for the issuance of letters of credit primarily for capital expenditure. Such facilities have been borrowed from various banks including IDFC Bank Limited, Axis Bank Limited, IndusInd Bank, State Bank of India, ICICI Bank Limited, MUFG, Barclays Bank PLC, Mizuho Bank Limited, J.P. Morgan, Bank of America, Yes Bank Limited, HDFC Bank and Kotak Mahindra Bank (previously ING Vysya).

As at September 30, 2020, the outstanding amount under these facilities was ₹5,170.9 million.

Covenants

The Rupee Bank Loans typically include covenants customary for facilities of this nature, including covenants which require the prior consent of the lenders for, *inter alia*, the following (subject to carve-outs in the respective facility agreements):

- entering into any long-term contracts having a material adverse effect;
- raising any indebtedness by the borrower;
- issuing any guarantee except in the ordinary course of business;
- revaluating the borrower's assets or properties except as required under law;

- change of control;

- paying any commission to any director, members or other person for furnishing guarantees or indemnities or for undertaking any other liability in connection with any indebtedness incurred in relation to the project;

- undertaking any merger, demerger, consolidation, re-organization, amalgamation, scheme of arrangement or compromise.

The Rupee Bank Loans also impose certain financial covenants, including those which require our Company to maintain:

- a maximum debt to equity ratio;

- a minimum debt service coverage ratio; and

- a minimum interest service coverage ratio.

The Rupee Bank Loans include customary event of default provisions wherein the lenders are entitled to terminate their respective Rupee Bank Loans and/or demand immediate repayment of the Rupee Bank Loans and any accrued interest and/or foreclose on secured assets under the respective Rupee Bank Loans if any specified event of default occurs and is not cured within the cure period.

Foreign Borrowings

3.95% Senior Notes Due 2022

On January 19, 2017, our Company issued U.S.$500 million 3.95% Senior Notes due 2022 (the "**Senior Notes due 2022**"). The Senior Notes due 2022 bear interest at the rate of 3.95% per annum, payable semi-annually on January 19, and July 19, of each year. The Senior Notes due 2022 constitute (subject to certain conditions) unsecured and unsubordinated obligations of our Company and rank *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations, but in the event of insolvency, only to the extent permitted by applicable law relating to creditors' rights. Unless previously redeemed or repurchased and canceled, our Company will redeem each Senior Note due 2022 at its principal amount, together with any accrued but unpaid interest, on January 19, 2022. The Senior Notes due 2022 have covenants and events of default substantially similar to those that will be in the Notes offered pursuant to this Offering Circular.

Our Company intends to use the proceeds of this offering, together with cash on hand, to fund the Tender Offer and the Redemption of the Senior Notes due 2022. See "*Summary — Recent Developments — Tender Offer and Redemption of Senior Notes due 2022*."

4.00% Senior Notes Due 2027

On June 30, 2017, our Company issued U.S.$500.0 million 4.00% Senior Notes due 2027 (the "**Senior Notes due 2027**"). The Senior Notes due 2027 bear interest at the rate of 4.00% per annum, payable semi-annually in January and July of each year. The Senior Notes due 2027 constitute (subject to certain conditions) unsecured and unsubordinated obligations of our Company and rank *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations, but in the event of insolvency, only to the extent permitted by applicable law relating to creditors' rights. Unless previously redeemed or repurchased and canceled, our Company will redeem each Senior Note due 2027 at its principal amount, together with any accrued but unpaid interest, on July 30, 2027. The Senior Notes due 2027 have covenants and events of default substantially similar to those that will be in the Notes offered pursuant to this Offering Circular.

4.375% Senior Notes Due 2029

On July 3, 2019, our Company issued U.S.$750 million 4.375% Senior Notes due 2029 (the "**2029 Senior Notes**"). The 2029 Senior Notes bear interest at the rate of 4.375% per annum, payable semi-annually in January and July of each year. The 2029 Senior Notes constitute (subject to certain conditions) unsecured and unsubordinated obligations of our Company and rank *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations, but in the event of insolvency, only to the extent permitted by applicable law relating to creditors' rights. Unless previously redeemed or repurchased and cancelled, our Company will redeem each 2029 Senior Note at its principal amount, together with any accrued but unpaid interest, on July 3, 2029. The 2029 Senior Notes have covenants and events of default substantially similar to those that will be in the Notes offered pursuant to this Offering Circular.

3.375% Senior Notes Due 2024

On July 24, 2019, our Company issued U.S.$650 million 3.375% Senior Notes due 2024 (the "**2024 Senior Notes**"). The 2024 Senior Notes bear interest at the rate of 3.375% per annum, payable semi-annually in January and July of each year. The 2024 Senior Notes constitute (subject to certain conditions) unsecured and unsubordinated obligations of our Company and rank pari passu with all other present and future outstanding unsecured and unsubordinated obligations, but in the event of insolvency, only to the extent permitted by applicable law relating to creditors' rights. Unless previously redeemed or repurchased and cancelled, our Company will redeem each 2024 Senior Note at its principal amount, together with any accrued but unpaid interest, on July 24, 2024. The 2024 Senior Notes have covenants and events of default substantially similar to those that will be in the Notes offered pursuant to this Offering Circular.

4.20% Senior Notes Due 2027

On July 28, 2020, our Company issued U.S.$750 million 4.20% Senior Notes due 2027 (the "**2027 Senior Notes**"). The 2027 Senior Notes bear interest at the rate of 4.20% per annum, payable semi-annually in January and July of each year. The 2027 Senior Notes constitute (subject to certain conditions) unsecured and unsubordinated obligations of our Company and rank *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations, but in the event of insolvency, only to the extent permitted by applicable law relating to creditors' rights. Unless previously redeemed or repurchased and cancelled, our Company will redeem each 2027 Senior Note at its principal amount, together with any accrued but unpaid interest, on July 28, 2027. The 2027 Senior Notes have covenants and events of default substantially similar to those that will be in the Notes offered pursuant to this Offering Circular.

ECBs

We have also entered into foreign currency credit facility agreements with various banks and other financial institutions. The following is a description of certain material terms of our foreign currency credit facilities.

The Bank of Tokyo-Mitsubishi UFJ

Our Company entered into a facility agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd., dated March 18, 2016 for an amount up to U.S.$165.0 million. As at September 30, 2020, the amount outstanding pursuant to the facility agreement was U.S.$159.6 million.

DZ Bank

Our Company entered into facility agreements with DZ Bank AG Deutsche Zentral-Genossenschaftsbank, dated August 10, 2011 and July 15, 2009, for amounts up to €44.2 million and €6.3 million, respectively. As at September 30, 2020, the aggregate amount outstanding pursuant to the facility agreements was €8.8 million. This facility is backed by an insurance cover from Atradius.

HSH Nordbank

Our Company entered into a facility agreement with HSH Nordbank AG, dated September 27, 2011, for an amount up to €21.9 million. As at September 30, 2020, the amount outstanding pursuant to the facility agreement was €3.2 million. This facility is backed by an insurance cover from Euler Hermes Kreditversicherungs-AG.

Bank of America

Our Subsidiary Karnavati Aviation Private Limited entered into a facility agreement with Bank of America dated December 11, 2012, for an amount up to U.S.$22.1 million. As at September 30, 2020, the amount outstanding pursuant to the facility agreement was U.S.$4.4 million.

DZ Bank and Citi Bank

Our Subsidiary, Shanti Sagar International Dredging Limited entered into a facility agreement with DZ Bank and Citibank dated November 13, 2017, for an amount up to €96.53 million. As at September 30, 2020, the amount outstanding pursuant to the facility agreement was €72.4 million. This facility is backed by an insurance cover from Atradius.

Covenants

The facility agreements contain covenants customary for facilities of this nature, including covenants that limit our ability, without prior written consent of the relevant lenders, to (subject to carve-outs in respective facility agreements):

- create or permit to subsist security interests over our assets;
- enter into arrangements other than in the ordinary course of business and on an arm's length basis;
- incur other financial indebtedness, give guarantees or assume lease obligations (subject to carve outs in the respective facility agreements);
- engage in new businesses;
- enter into mergers or consolidations;
- permit a change of control of the borrowing entity; and
- sell or otherwise dispose of certain assets.

The Foreign Borrowings also impose certain financial covenants, including those that require us to maintain:

- a minimum tangible net worth;
- a minimum debt service coverage ratio; and
- a maximum total outstanding liabilities to tangible net worth ratio.

Events of Default

The facility agreements contain customary events of default and provide that upon the occurrence of an event of default, the lenders may cancel the undrawn commitments and declare the loans (including interest) immediately due and payable if an event of default occurs and is not cured within the agreed curing period.

LEGAL PROCEEDINGS

Except as described below, our Company is not involved in any legal or regulatory proceedings or disputes, and no investigations or proceedings are threatened, which may have, or have had, a material adverse effect on the business, financial condition or operations of our Company. Our Company believes that the number of proceedings and disputes in which our Company is involved in is not unusual for a company of its size in the context of doing business in India, the current Indian regulatory and legal environment and in the international market. Civil, criminal, regulatory and tax related proceedings involving our Company, Subsidiaries and Directors have been described below.

Litigations involving our Company

Civil Cases

1. Kheti Vikas Seva Trust (an association of around 200 villagers) (the "**Petitioner**") had filed a writ petition dated January 24, 2011 (the "**Writ Petition**") before the High Court of Gujarat (the "**High Court**") against, *inter alia*, the State of Gujarat, Adani Power Limited and our Company, in relation to the power plant set up by Adani Power Limited on the land allotted to our Company for setting up an SEZ being in violation of the necessary requirements for setting up such plants, including environmental laws. During the pendency of the Writ Petition, the MoEF appointed a multi-disciplinary committee, which submitted its report on April 18, 2013. The MoEF issued a show cause notice on September 30, 2013 on the basis of the report of the committee. Our Company submitted its response to the show cause notice which was disposed of by the MoEF through its order dated September 18, 2015 (the "**Order**"). In the meantime, the Writ Petition was disposed of by the High Court on April 17, 2015. A special leave petition was filed by the Petitioner before the Supreme Court of India against the order of the High Court, which was dismissed and the Supreme Court of India directed the Petitioner to seek remedy before the appropriate forum.

   Separately, a contempt application filed by the Petitioner alleging non-compliance of an order of the High Court dated July 12, 2011 prohibiting the cutting of mangroves and other forests during the pendency of the petition without permission of the state forest and environment department in relation to the Writ Petition is still pending. The High Court by way of an order dated November 5, 2015 ordered the formation of an expert committee to assess the damage caused to the mangroves and other forests during the pendency of the petition (the "**Committee**"). Subsequently, the Committee submitted its report on June 7, 2016, and our Company submitted a response to the findings of the Committee. The matter is currently pending.

   Further, the Petitioner filed an application dated September 9, 2017 before the National Green Tribunal, Pune ("**NGT**") alleging violation of the terms of the environment clearance granted to our Company. Further, the Petitioners have alleged that the activities undertaken by our Company has *inter alia* led to destruction of mangroves, hampering of the livelihood of fishermen and destruction of the sand dunes. Accordingly, the Petitioners have, *inter alia*, requested (i) to set aside the Order; (iii) our Company be directed to cease and desist from carrying on any operations at the port; and (iii) for prosecution being initiated against our Directors under the Environmental Protection Act, 1986 for violation of conditions stipulated under the environmental clearance. Through an interim order, the NGT excluded the request of the Petitioner to direct our Company to cease and desist from carrying on any operations at the port. The matter is currently pending.

2. Jusab Kasam Manjaliya and others (the "**Petitioners**") filed a special civil application dated March 14, 2019 ("**Application**") before the High Court of Gujarat (the "**High Court**") against, *inter alia*, the Union of India, the State of Gujarat, the Gujarat Maritime Board and our Company (the "**Respondents**"), alleging failure on the part of the Respondents to, *inter alia*, implement certain directions of the MoEF provided vide the order dated September 18, 2015 (the "**Order**"). Prior to the filing of the Application, a legal notice followed by a reminder was served on the Respondents by the Petitioners to ascertain whether the Respondents had taken action for the implementation of the directions set out in the Order, which included, *inter alia*, (i) to finance the comprehensive and integrated conservation plan for the protection of creeks and mangrove areas and maintenance of the fragile ecological conditions of the area from Bocha Island to Baradimata to be prepared by the National Center for Sustainable Coastal Management in consultation with the National Institute of Ocean Technology, our Company and the Gujarat Coastal Zone Management Authority; (ii) to submit a specific action plan (including a budget) to protect the livelihood of fishermen in the surrounding area; (iii) to voluntarily return grazing land, if any, in our Company's possession; and (iv) to finance the preparation of a regional strategic impact assessment report with a special focus on Mundra. Since the Petitioners did not receive responses to the legal notice, the present suit was brought before the High Court. The Petitioners, *inter alia*, requested: (i) that the Respondents be directed to place on record the steps taken towards the implementation of the Order including reports, schemes and plans put into place for implementation; (ii) that the Respondents be directed to provide the Petitioners with an action taken report; and (iii) in the event of non-implementation or partial implementation of the Order, the Respondents be directed to take steps towards implementation of the Order. The matter is currently pending.

3. Gajubha Bhimaji Jadeja and others have filed a writ petition in the nature of a public interest litigation before the High Court of Gujarat against the Union of India, our Company and others alleging that our Company and 12 other respondent companies are carrying out operations from business units in the Mundra SEZ without the Mundra SEZ having been granted environmental clearance from the MoEF. The High Court of Gujarat pursuant to its order dated January 13, 2014 directed the MoEF to decide on the application for grant of environmental clearance to the Mundra SEZ within 30 days and directed that until such appropriate decision is taken, no further activity in the form of construction, including the functioning of the units in the area in question, will be permitted. The respondents have filed appeals before the Supreme Court of India against the judgment and order dated January 13, 2014 and the Supreme Court of India pursuant to its order dated January 27, 2014 issued a notice and ordered that in the meanwhile, the units in the Mundra SEZ in respect of which the impugned order has been passed may continue to function, but no further construction activity with regard to any unit existing or upcoming, will be carried out. In the meanwhile, the MoEF pursuant to a letter dated April 3, 2014 stated that the High Court of Gujarat, in its order dated January 13, 2014, has observed that the act of giving special economic zone land on lease to units in the Mundra SEZ before a grant of environmental clearance amounts to violation of the provisions of the Environment Impact Assessment Notification dated September 14, 2006 and directed our Company to submit a formal resolution to the effect that our Company shall not repeat such violation. Subsequently, the Supreme Court of India pursuant to its order dated May 2, 2014 stated that it had directed the MoEF to complete the process of environmental clearance and not stayed the process and also directed the MoEF to complete the process of environmental clearance to the Mundra SEZ within eight weeks. Thereafter, the Supreme Court of India pursuant to its order dated July 14, 2014 again directed the MoEF to complete the process of environmental clearance within a further period of eight weeks and directed the secretary of the MoEF to oversee the process. The MoEF has issued a formal letter dated July 15, 2014 granting environmental clearance. The matter is currently pending.

4. Our Company filed a special civil application on April 12, 2017 before the High Court of Gujarat challenging communications received from the Development Commissioner, Mundra (Kutch) and the Ministry of Commerce and Industry, Department of Commerce of the GOI in relation to the procurement of duty-free high speed diesel oil for use in relation to carrying out its authorized operations. By way of correspondence dated June 28, 2011, our Company was informed by the Development Commissioner, Mundra (Kutch) that the request for procurement of duty-free high speed diesel oil cannot be granted as our Company was not involved in any manufacturing process which would satisfy the definition of "consumable" stipulated under Rule 2(1)(g), of the Special Economic Zone Rules, 2006. Subsequently, our Company by way of letters dated August 25, 2011 and September 6, 2011, requested permission to import diesel by furnishing a bank guarantee corresponding to the duty payable, pursuant to which our Company would from time to time furnish the applicable bank guarantees and import diesel. Thereafter, the Commissioner by way of its letter dated October 9, 2014, disallowed our Company from importing duty-free high speed diesel oil against furnishing of bank guarantee.

   The Commissioner by way of a subsequent letter dated April 12, 2017, stated that the final assessment of duty payable by our Company in relation to the import of diesel for the period from September 30, 2011 to October 12, 2014, amounted to approximately ₹714.79 million and accordingly directed our Company to deposit the amount, failing which bank guarantees furnished by our Company would be invoked. The High Court of Gujarat by way of its order dated April 24, 2017, stayed the implementation of directions issued by the Commissioner in his letter of April 12, 2017 and permitted our Company to procure duty-free high speed diesel oil for carrying out authorized operations, against the furnishing of a bank guarantee equivalent to the duty payable. The matter is currently pending.

5. Pravinsingh Bhurabha Chauhan filed a public interest litigation by way of a writ petition before the High Court of Gujarat against the Union of India, State of Gujarat, our Company and others alleging that a certain plot of land known as 'Mor Dhuva' was not allotted to our Company and accordingly that our Company should be restrained from carrying out any activity, including ship recycling activities, without any prior permission or authorization in and around sand dunes including 'Mor Dhuva' in Tunda and Vandh villages, Kutch, Gujarat. Pursuant to the High Court's order dated July 10, 2014, the Collector, Kutch was ordered to submit a report in relation to the allegations raised. Pursuant to such order of the High Court, the Collector filed affidavits dated July 10, 2014, July 24, 2014 and July 28, 2014, *inter alia*, stating that the forest department allotted 1,840 hectares of forest land to us for non-forest purposes and that our Company was currently not undertaking any objectionable activity therein. Our Company in its reply stated, *inter alia*, that 'Mor Dhuva' was allotted to us in the year 2009 and requisite environmental clearances had been obtained for waterfront development and that no construction activities had been undertaken at the site. Subsequently, the MoEF restated the affirmations made by the Collector, by way of an affidavit dated November 3, 2014. Accordingly, the High Court, upon review of the affidavits and submissions made, dismissed the petition by way of an order and judgment dated February 18, 2015. Subsequently, the petitioner filed a petition seeking special leave to appeal before the Supreme Court of India, challenging the order, *inter alia*, on the basis of the Sunita Narain Committee report arising out of an inspection conducted on our Company (the "**Report**") and questioning the anomaly in the maps submitted by our Company at the time our Company sought permission to use the forest land. The Supreme Court of India passed an interim order in relation to the Report, directing the committee to revisit the Report to include levelling of sand dunes, more specifically on 'Mor Dhuva'. A revised report was submitted by the committee. The matter is currently pending.

6. Sanjay Ashok Joshi and Sanjay Shantilal Bapat (the "**Petitioner**s") have filed a public interest litigation by way of a writ petition before the High Court of Gujarat against the State of Gujarat, the Gujarat Maritime Board and our Company, alleging inadequate payment of waterfront royalty by our Company to the State Government of Gujarat as per the regular rates prescribed by the State Government of Gujarat, based on a report by the Comptroller and Auditor General of India. The Petitioners alleged that our Company had been paying the waterfront royalty to the State Government at concessional rates and not at regular rates for all cargo and the escalation clause of the concession agreement was not applied, which was in violation of the concession agreement as the payment at concessional rates was conditional only upon completing the construction in the time schedule agreed upon, which as per the Petitioners, was not adhered to by our Company. The Petitioners have further alleged that this has been communicated to our Company vide communication dated May 21, 2002 and further communication dated February 26, 2009. Accordingly, the Petitioners have, *inter alia*, requested that our Company be directed to pay the under-recovered waterfront royalty from 2002 and to pay waterfront royalty at regular rates from all cargo with immediate effect. Our Company has filed a preliminary affidavit in response to the writ petition. The matter is currently pending.

7. Jitendra Devji Sondhra and Maheshwari Haresh Jasha (the "**Petitioners**") have filed a public interest litigation by way of a writ petition before the High Court of Gujarat against the Port and Transport Department, the Gujarat Maritime Board, the Ministry of Environment and Forest, the Geology and Mining Department, and our Company, alleging, *inter alia*, that our Company is illegally carrying out dredging activities and excavation work on a large scale basis at the Mundra SEZ for the purposes of reclamation and has also constructed boundary walls on government land without lease, which consequently, has had an adverse effect on the environment, including but not limited to, destruction of mangroves, blocking of creeks and increasing salinity of groundwater. It was further alleged that our Company has not paid the requisite royalties under the Offshore Areas Minerals (Development and Regulation) Act, 2002, read with the Offshore Areas Mineral Concession Rules, 2006. The Petitioners have, *inter alia*, requested that our Company be directed to (i) pay the aforestated royalties; (ii) remove the wall constructed on government land where our Company is allegedly having no lease; and (iii) direct our Company to cease all operations pertaining to dredging and related activities. The matter is currently pending.

8. Around 70 land related cases, including writ petitions have been filed before various courts against our Company and our subsidiaries on grounds of disputes arising in relation to (i) partial or complete ownership of land; (ii) validity and legality of agreements to sale; (iii) specific performance of sale deeds; (iv) acquisition of land fraudulently or under threat; (v) cancellation of sale deeds; (vi) notification of land and resumption of Gauchar land in favor of our Company; (vii) easementary rights in relation to land; (viii) illegal construction or development of land; (ix) inheritance rights in land; (x) challenge of entries in revenue and other land records; (xi) occupation of land at Mundra without being classified as a co-developer or unit under the SEZ Act; and (xii) illegal encroachment of land. These matters are currently pending at various forums.

9. Sameja Osman Ishak and others ("**Appellants**") have filed a letters patent appeal before the High Court of Gujarat ("**Gujarat HC**") against our Company and others challenging the Gujarat HC order under the special civil application ("**Impugned Order**"). By way of the Impugned Order, the Gujarat HC had rejected the existence of any right in favour of the Appellants with respect to the land that was allotted to our Company the purpose of special economic zone. The matter is currently pending.

10. Our Company had entered an arrangement with GSPC LNG Limited ("**GLL**") pursuant to memorandum of understanding, project agreements and preliminary agreements (collectively, the "**Agreements**") for the setting up of LNG terminal at Mundra port. The parties decided to invoke arbitration pursuant to an interim settlement and arbitration agreement, in order to resolve the disputes pertaining to certain amounts/rates payable by GLL for the use of the port side facilities and port services provided by our Company. Accordingly, a preliminary meeting of the arbitral tribunal was conducted for finalization of the timelines for submission of *inter alia* statement of claim and counter claim along with the ancillary matters for smooth functioning of the arbitration proceedings. Our Company filed a statement of claim demanding *inter alia* payment for various costs incurred by our Company including jetty construction cost and land reclamation cost and certain other operational charges, along with interest, and the right to recover interest accrued during the pendency of the proceedings and until final settlement of all claims. The matter is currently pending.

11. Our Company was one of the resolution applicants in the corporate insolvency resolution process of Dighi Port Limited ("**DPL**") and had submitted a resolution plan at the meeting of the committee of creditors of DPL ("**CoC**") held on November 22, 2018 and had subsequently submitted improved resolution plans and addendums to their original resolution plan (together, the "**Resolution Plan**"). The CoC voted in favour of the Resolution Plan submitted by our Company on September 19, 2019. The National Company Law Tribunal, Mumbai bench (the "**NCLT**") through its order dated March 5, 2020 approved the Resolution Plan of our Company, with certain modifications, appointing our Company as the successful resolution applicant ("**NCLT Order**"). However, Vishal Kalantri, former director and shareholder of DPL, being aggrieved by the NCLT Order and alleging non-compliance of the provisions of the Insolvency and Bankruptcy Code, 2016 by our Company, filed an appeal before the National Company Law Appellate Tribunal, New Delhi ("**NCLAT**"), which was dismissed by the NCLAT ("**NCLAT Order**"). Vishal Kalantri filed an appeal before the Supreme Court of India against the NCLAT Order. The Supreme Court of India subsequently dismissed the appeal filed by Vishal Kalantri. Our Company is in the process of completing the acquisition of 100% of the equity share capital of DPL after completion of the conditions precedent included in the Resolution Plan with payment of consideration amounting to ₹6,500 million.

Criminal Cases

1. A criminal complaint was filed on September 6, 2018 before the Judicial Magistrate at Mundra, Kutch by the Agriculture Officer, Mundra (the "**Complainant**") appointed by the Agriculture, Farmers' Welfare and Cooperation Department, State of Gujarat vide notification dated January 12, 2018, against our Company and its representative (the "**Handling Agent**") and Mosaic India Private Limited and its representative (the "**Importer**", and together with the Handling Agent, the "**Respondents**"). Based on an inspection carried out by the Complainant and verification of samples by the Fertilizer Testing Laboratory, Junagadh (the "**Laboratory**"), a show cause notice was served on the Respondents for importing non-certified chemical fertilizers in violation of the provisions of the Fertilizers Control Order, 1985 and the Essential Commodities Act, 1955. The Importer responded to the show cause notice requesting re-rationalization under the Fertilizers Control Order, 1985. Permission for re-rationalization was granted and the samples were forwarded to the Fertilizer and Insecticides Quality Control Laboratory, Meerut, which also declared the samples to be non-certified. On this basis, the criminal complaint was filed and the Complainant requested for penal action to be taken against the Respondents under the provisions of the Essential Commodities Act, 1955. The matter is currently pending.

Tax Proceedings

1. Several custom duty related proceedings are pending against our Company before various authorities. The aggregate amount involved in these matters is approximately ₹182.76 million. These matters are in relation to: (i) alleged short-payment of custom duty on 73.159 metric tonnes of Acrylonitrile; (ii) alleged wrongful classification of the parts of the dredger imported by our Company and consequent disallowance of the exemption claimed by our Company; (iii) cash-remittance towards education cess against import of steel sole plates by our Company; (iv) alleged wrongful exemption claimed on custom duty on import of second hand equipment on re-export basis; (v) penalty on our Company for alleged violation of customs rules for non-payment of custom duty on import of aircraft by our Subsidiary Karnavati Aviation and (vi) alleged non-payment of cost of the customs officers posted by the Commissioner of Customs under the provisions of the Handling of Cargo in Customs Areas Regulations, 2009. The matters are currently pending.

2. The Commissioner of Customs and Central Excise, Rajkot (the "**Commissioner**") issued two show cause notices to our Company dated October 23, 2009. Notice bearing no. 220/2009 required our Company to show cause as to why service tax aggregating ₹652.72 million should not be recovered in respect of certain services including, *inter alia*, "revenue sharing from MICT", "deferred infrastructure development income" and "vessel priority income". Notice bearing no. 221/2009 required our Company to show cause as to why (i) service tax aggregating ₹141.39 million in respect of certain services and (ii) an amount of ₹951.51 million under various provisions of the CENVAT Credit Rules, 2004 (the "**Rules**") read with the Finance Act, 1994 should not be recovered along with interest and penalty thereon. By a common order passed on May 12, 2010 in respect of both show cause notices, the Commissioner confirmed service tax liability aggregating to ₹239.95 million in respect of certain services specified in the show cause notices, along with levy of interest and penalty. The Commissioner also declared wrongful availment of CENVAT Credit under Rule 14 of the Rules, in respect of certain commodities/services and under Rule 6(3) read with Rule 14 of the Rules, in respect of "payment of amount equal to 8% of value of exempted service provided to SEZ". The order of the Commissioner was challenged before the Customs Excise and Service Tax Appellate Tribunal (the "**Tribunal**") which by its order dated September 28, 2011 confirmed service tax liability in respect of certain services and confirmed the wrongful availment of CENVAT Credit under Rule 14 of the Rules. With respect to liability under Rule 6(3) of the Rules, the Tribunal upheld the same only with respect to "payment of amount equal to 8% of value of exempted service provided to SEZ" and dropped the others. The total liability imposed on our Company pursuant to the order of the Tribunal is ₹92.8 million. Our Company has filed an appeal before the High Court of Gujarat challenging the imposition of the tax liability. Further, the Commissioner has also filed an appeal against the said order before the Supreme Court of India in respect of the demands for which liability has been discharged by the Tribunal. The matter is currently pending.

3. Service tax/GST department issued 27 show cause notices ("**SCNs**") during the period 2004 to 2017 in relation to denial of CENVAT credit availed on steel, cement and other inputs, input services used in the construction and/or operation of port, involving total tax amount of ₹6,900 million. Some of the show cause notices in relation to the initial period between 2004 to 2011 were adjudged in our favour by the Custom, Excise and Service Tax Appellate Tribunal, Ahmedabad. The Commissioner of Central Excise and Customs filed an appeal against the order before the High Court of Gujarat. In relation to some other show cause notices, the Commissioner of Service Tax, Ahmedabad has filed a special leave petition before the Supreme Court of India, which is currently pending. There are also some periodical SCNs which are pending before the relevant adjudication authority.

4. Certain appeals are pending before income tax authorities against our Company for Fiscal Years 2008 to 2010 in respect of, *inter alia*, (i) disallowance of certain expenses under section 14A of the Income-tax Act; (ii) deduction of interest and other income under section 80IAB of the Income-tax Act; and (iii) transfer pricing adjustment for corporate guarantees given to associated enterprises. Our Company has no outstanding demands and penalties in relation to these appeals, as adjustments have been made by the income tax authorities against refunds of subsequent years. For Fiscal Year 2008, the matter in relation to disallowance under section 14A of the Income-tax Act is pending at the jurisdictional High Court and an appeal was filed by the income tax authorities in the Supreme Court of India in the matter pertaining to netting off interest under section 80IAB. For Fiscal Years 2009 and 2010, the Income Tax Appellate Tribunal, Ahmedabad ("**ITAT**") vide its order dated February 12, 2019 (the "**Order**") deleted all major disallowances, except the disallowance of certain expenses under section 14A of the Income-tax Act amounting to ₹31.1 million. An appeal was filed by the Principal Commissioner of Income Tax against the Order before the High Court of Gujarat ("**High Court**") and same has been dismissed upholding all the grounds in our favour by the High Court. However, an order giving effect to the order of ITAT has not been passed yet.

5. Our Company has outstanding demands and penalties amounting to ₹862.2 million (net of payment/adjustments made) with the income tax authorities for Fiscal Years 2011 to 2016. The major disallowances/adjustments during these years are (i) disallowance of certain expenses under section 14A of the Income Tax Act; (ii) deduction of interest and other income under section 80IAB of the Income-tax Act; and (iii) adjustments under section 92CA(3) of the Income-tax Act. For Fiscal Year 2011 to 2013, our Company has filed an appeal, which is pending before the Income Tax Appellate Tribunal, Ahmedabad. For Fiscal Years 2014 to 2016, our Company has filed appeals, which are pending before the Commissioner of Income-tax (Appeals).

Litigation involving Directors

1. There are certain outstanding legal proceedings involving Mr. Gautam S. Adani. These relate to (i) a civil dispute filed by Container Corporation of India Limited seeking to restrain defendants named therein, including Adani Logistics and Mr. Gautam Adani from proceeding with a cold chain project; (ii) alleged violation of certain provisions of the Customs Act, 1962 emanating from alleged misuse of an advance license granted to a third party for import of metallurgical coke and evasion of custom duty in relation thereof; (iii) a criminal complaint under Sections 420 and 120B of the Indian Penal Code, 1860 was filed by the Serious Fraud Investigation Office ("**SFIO**") before the learned magistrate, Ballard Pier, Mumbai against Mr. Gautam S. Adani and others on the allegation that he conspired with the other accused in relation to share prices of AEL. The learned magistrate, Ballard Pier, Mumbai discharged Mr. Gautam S. Adani on the grounds that no *prima facie* case was made out by the SFIO against him. However, the SFIO challenged that order before the Court of the Sessions for Greater Mumbai ("**Sessions Court**") by way of a criminal revision application. Further, the Sessions Court has allowed the criminal revision application and directed the parties to appear before the Additional Chief Metropolitan Magistrate for hearing (the "**Impugned Order**"). Subsequently, Rajesh S. Adani and Gautam S. Adani have filed a writ petition before the High Court of Judicature at Bombay ("**High Court**") challenging the Impugned Order. Currently, the High Court has stayed the Impugned Order until the next hearing; (iv) the alleged violation of certain provisions of the Customs Act, 1962 relating to the import and misuse of an aircraft; and (v) certain complaints were filed in relation to products of Adani Wilmar Limited before various forums under the Prevention of Food Adulteration Act, 1954 against Adani Wilmar Limited, its nominees, Mr. Gautam S. Adani (in his capacity as the director of Adani Wilmar Limited) and others. The matters are currently pending.

2. There are certain outstanding legal proceedings involving Mr. Rajesh S. Adani. These relate to (i) alleged violations of the Customs Act, 1962, Foreign Exchange Regulations Act, 1973 and FEMA, which relate to violations stemming from the import and export of various items by AEL investment in a wholly-owned subsidiary without prior approval from the RBI; (ii) a criminal complaint under Sections 420 and 120B of the Indian Penal Code, 1860 was filed by the Serious Fraud Investigation Office ("**SFIO**") before the learned magistrate, Ballard Pier, Mumbai against Mr. Rajesh S. Adani and others on the allegation that he conspired with the other accused in relation to share prices of AEL. The learned magistrate, Ballard Pier, Mumbai discharged Mr. Rajesh S. Adani on the grounds that no *prima facie* case was made out by the SFIO against him. However, the SFIO challenged that order before the Court of the Sessions for Greater Mumbai ("**Sessions Court**") by way of a criminal revision application. Further, the Sessions Court has allowed the criminal revision application and directed the parties to appear before the Additional Chief Metropolitan Magistrate for hearing (the "**Impugned Order**"). Subsequently, Rajesh S. Adani and Gautam S. Adani have filed a writ petition before the High Court of Judicature at Bombay ("**High Court**") challenging the Impugned Order. Currently, the High Court has stayed the Impugned Order until the next hearing; (iii) the alleged violation of certain provisions of the Customs Act, 1962 relating to the import and misuse of an aircraft; and (iv) certain complaints were filed in relation to products of Adani Wilmar Limited before various forums under the Prevention of Food Adulteration Act, 1954 against Adani Wilmar Limited, its nominees, Mr. Rajesh S. Adani (in his capacity as the director of Adani Wilmar Limited) and others. The matters are currently pending.

3. There are certain outstanding legal proceedings involving Mr. G. Raghuram as a director of Arshiya Limited filed under Section 138 of the Negotiable Instruments Act, 1881 in relation to alleged non-clearance of cheques. The matters are currently pending.

Litigation against Subsidiaries

Karnavati Aviation

1. Karnavati Aviation (earlier called Gujarat Adani Aviation Private Limited) imported an aircraft at 'Nil' rate of duty under Notification No. 21/2002-Cus dated March 1, 2002 as amended by Notification No. 61/2007-Cus dated May 3, 2007 (the "**Notification**"). The Commissioner of Customs, Ahmedabad (the "**Commissioner**") issued a show cause notice dated February 27, 2009 to, *inter alia*, Karnavati Aviation, certain of its directors, our Company and Mr. Gautam S. Adani and Mr. Rajesh S. Adani (in their capacity as the directors of our Company) to show cause why, *inter alia*, custom duty of ₹146.7 million along with appropriate penalty and interest, should not be recovered for the alleged mis-declaration before the customs authorities and for contravention of the provisions of the Notification. The Commissioner by way of its order dated November 25, 2009 confirmed the demand of ₹146.7 million along with interest and imposed penalty of ₹146.7 million and redemption fine of ₹60 million. An additional penalty of ₹20 million was also imposed on our Company. On appeal, the Customs Excise and Service Tax Appellate Tribunal ("**CESTAT**") by way of its order dated October 28 ,2014 on account of conflicting judgments of different benches of CESTAT on the issue, referred the matter to the president of CESTAT, to constitute a larger bench to decide the matter. The larger bench vide its order dated April 23, 2018 observed that a similar issue is pending before the Supreme Court of India. Accordingly, the larger bench directed both parties to place the matter before CESTAT, once the Supreme Court of India has decided the matter pending before it. The matter is currently pending.

2. The Directorate General of Central Excise Intelligence, Ahmedabad issued a demand cum show cause notice to Karnavati Aviation on January 5, 2011 for alleged non-payment of service tax on domestic journeys undertaken and on provision of certain foreign services on a reverse base mechanism amounting to ₹30.38 million. Karnavati Aviation had filed an appeal with the Commissioner of Service Tax and has also received an order dated January 13, 2012. Pursuant to the order, Karnavati Aviation has filed an appeal before CESTAT. The matter is currently pending.

Adani Dahej

1. Shila Maritime Corp and another filed a special civil application before the High Court of Gujarat seeking the release of a vessel named "MV D SKALKEAS" which was anchored at Dahej Port on account of non-payment of port charges and penalty charges owed to Adani Dahej by Shila Maritime Corp. The High Court of Gujarat in its interim order dated December 21, 2015 in the abovementioned appeal directed Shila Maritime Corp and another to deposit the disputed amount of ₹13.56 million by way of a demand draft before the Registry of the High Court of Gujarat and only on such deposition shall the abovementioned vessel be released by Adani Dahej. Further, the High Court of Gujarat, subject to its further orders, has permitted Adani Dahej to withdraw the amount of ₹13.56 million after submitting a bank guarantee of the same amount to the satisfaction of the Registrar of the High Court of Gujarat. To the satisfaction of the Registrar of the High Court of Gujarat, Adani Dahej has complied with the directions passed in the interim order by furnishing the bank guarantee of ₹13.56 million. The matter is currently pending.

2. The Directorate General of Central Excise Intelligence, Ahmedabad (the "**Directorate**") issued two demand cum show cause notices to Adani Dahej on November 22, 2010 and April 16, 2012. The notices required Adani Dahej to show cause as to why, *inter alia*, the CENVAT credit totaling ₹452 million availed by Adani Dahej should not be recovered along with appropriate interest under Rule 14 of the CENVAT Credit Rules, 2004 (the "**Rules**") and as to why penalty under Rule 15(1) and Rule 15(3) of the Rules should not be imposed for a period between October 2007 and March 2017. It was alleged that Adani Dahej had contravened the provisions of Rule 6(1) of the Central Excise Rules, 1994 as it has availed of credit on input goods and input services which were used in relation to the construction of Dahej Port (an exempted service), and not in relation to provision of port services. Further, by way of the common order dated December 15, 2015 (the "**Order**"), the Ahmedabad Bench of Customs, Excise and Service Tax Appellate Tribunal ("**CESTAT**") passed a favorable decision in the matter related to the alleged wrongful availment of CENVAT credit for the period from April 2004 to September 2011, stating that Adani Dahej is eligible for CENVAT credit and that it had rightfully claimed the same. The department has filed an appeal before the High Court of Gujarat challenging the Order. We have received a show cause notice from the Office of the Commissioner of Central Goods & Services Tax (Audit) dated April 15, 2019 which has sought recovery of ₹5.77 million alleging contravention of relevant provisions of the Finance Act, 1994 and CENVAT Credit Rules, 2004 in relation to damaged capital goods.

3. The Conservation Action Trust and Debi Goenka, as petitioners, filed an appeal before the NGT, Pune, in relation to the environmental clearance and coastal regulation zone clearance ("**Impugned EC**") by the MoEF in relation to the expansion of the project of Adani Dahej at Dahej, Bharuch. The petitioners, *inter alia*, challenged the Impugned EC dated October 14, 2016, received from MoEF on the grounds that the area sought for expansion by Adani Dahej is surrounded by mudflats and that the same is a CRZ 1A (i.e. ecologically sensitive areas) area and therefore, the Impugned EC was granted erroneously. It was also alleged that Adani Dahej had furnished incorrect and misleading information that the mudflats were biologically insensitive and that no disclosure had been made that the project would damage mangroves surrounding the mudflats. Moreover, the petitioners requested that Adani Dahej remedy the damage already caused by its activities and operations. Our Company filed a reply dated May 11, 2017, wherein it argued that the petitioners have no *locus standi* and that no public interest is involved. Our Company also stated that there is no cause of action as the area has been rightly categorized and there was no objection raised by the petitioners at the time of formulation of the environmental impact assessment report which also discusses the impact of the proposed expansion on the mangroves. The matter is currently pending before the NGT.

4. The Principal Commissioner of Income Tax-1 has filed an appeal against the order of the Income Tax Appellate Tribunal, Ahmedabad ("**Impugned Order**") on the grounds of non-compliance of section 145A of the Income Tax Act before the High Court of Gujarat ("**Gujarat HC**"). The Impugned Order had inter alia deleted the addition of ₹146.95 million on account of unutilized CENVAT credit in line with the exclusive method of accounting as the CENVAT credit pertained to service tax input and not to excisable goods. The matter is currently pending.

Adani Logistics

1. A civil dispute has been filed against Adani Logistics. For further details, see "*Legal Proceedings — Litigation involving Directors*".

2. Adani Logistics received three demand cum show cause notices dated October 10, 2014, May 29, 2015 and September 15, 2015 from concerned authorities in relation to classification of certain services and for non-payment of service tax amounting to ₹406.69 million in total. The Commissioner of Service Tax, Delhi by way of a combined order dated December 31, 2015 (the "**Order**") disposed-off the proceedings initiated against Adani Logistics under the Show Cause Notices. The Commissioner of Service Tax has filed an appeal before the Central Excise and Service Tax Appellate Tribunal, Chandigarh against the Order. The matter is currently pending. Further, Adani Logistics has also received periodical show cause notices amounting to ₹75.46 million for the period April 2015 to March 2016 and amounting to ₹263.57 million for the period April 2016 to June 2017 in relation to service tax not being adequately paid by Adani Logistics. The matters are currently pending.

Adani Murmugao

1. Savio Joaquim Filipe Correia (the "**Petitioner**") filed an appeal (the "**Appeal**") against the Goa State Pollution Control Board ("**GSPCB**") and Adani Murmugao before the administrative tribunal of Goa (the "**Tribunal**") against the consent order issued by the GSPCB for the renewal of the Consent to Operate ("**CTO**") granted to Adani Murmugao in relation to the Murmugao Port. The Petitioner alleged that Adani Murmugao violated conditions under the environmental clearance and the CTO granted to them. The Petitioner requested, *inter alia*, that (i) the renewed CTO be modified to include two specific conditions, i.e., the coal stack height be restricted to six meters and that continuous compaction of the coal stacks be carried out regularly; and (ii) pending hearing and disposal of the appeal, the renewed CTO be stayed. Our Company filed an affidavit in reply to the Appeal refuting the claims of the Petitioner. Pending the Appeal, GSPCB modified conditions in the CTO, including, *inter alia*, increasing the amount of coal allowed to be handled from 3.9 mmtpa to 4.8 mmtpa, which was opposed by the Petitioner. GSPCB, in complete supersession of the CTO, issued a new consent to operate on July 6, 2018. The Petitioner filed an amendment application before the Tribunal challenging the validity of the new consent to operate, which was allowed through order dated December 17, 2018 (the "**Order**"). Aggrieved by the Order, Adani Murmugao filed a writ petition before the Panaji Bench of the Bombay High Court requesting that the Order be quashed as the Tribunal has failed to appreciate that the amendment sought by the Petitioner is to challenge the new consent to operate which was issued in supersession of the CTO and the new consent to operate is neither an amendment nor modification to the CTO against which the Petitioner had preferred Appeal. The matter is currently pending.

2. Sherwyn Filipe Francisco Correia and others (the "**Petitioners**") have a filed a writ petition in the nature of a public interest litigation before the Panaji Bench of the Bombay High Court (the "**Petition**") against, *inter alia*, the Goa State Pollution Control Board ("**GSPCB**"), the Murmugao Port Trust and Adani Murmugao in relation to the permanent closure of the operations of coal/coke handling at the Murmugao Port Trust on the grounds that the import and handling of the cargo has caused permanent damage to the environment of Murmugao and the health of the residents of Vasco da Gama, and is in violation of Article 21 of the Constitution of India. The Petitioners requested for all permissions, minutes, consents and clearances granted for coal/coke handling at the Murmugao Port Trust be revoked. Adani Murmugao has filed an affidavit in reply to the Petition refuting the claims of the Petitioner. The matter is currently pending.

3. Adani Murmugao Port Trust Pvt Ltd ("**AMPTPL**") providing port services and was registered with Service tax Department. For providing taxable services AMPTPL availed various input services and paid services tax thereon along with Cess. AMPTPL availed CENVAT credit of service tax & cess. During migration from Service tax regime to GST regime, AMPTPL in terms of GST law, transferred

the CENVAT credit including cess of ₹8.63 million. Show cause notice dated February 21, 2018 was issued denying CENVAT credit of cess and proposing to recover the same along with interest and imposition of penalty. The Assistant Commissioner, Goa vide order dated January 11, 2019 confirmed the demand along with interest and imposed penalty of ₹0.86 million. On appeal, Commissioner (Appeal), Goa vide Order dated August 8, 2019 rejected the appeal filed by AMPTPL. As per Section 112 of CGST Act, an Appeal can be filed before Appellate Tribunal. Since, no Appellate Tribunal have been constituted under GST Laws, AMPTPL filed a writ petition before Goa Bench of Bombay High Court. The matter is currently pending.

4. The Board of Trustees of Port of Mormugao ("**Claimant**") filed a statement of claim ("**Claim**") before the Arbitral Tribunal against Adani Mormugao Port Terminal Private Limited ("**AMPTPL**") in relation to the non-payment of royalty pursuant to the Concession Agreement dated September 22, 2009. The Claimant has *inter alia* demanded an amount of ₹898.09 million i.e. the royalty equivalent to 20% of the storage charges for the period from June 6, 2014 to March 31, 2018 in addition to ₹454.20 million i.e. the interest payable for period for unpaid royalty. AMPTPL has filed a counter claim of approximately ₹16,350 million in addition to interest at the rate of 18% per annum on the sum awarded alleging breach and non-performance of the contractual obligations by the Claimant. Further, AMPTPL has sought a direction from the Arbitral Tribunal declaring that no royalty may be made payable on notionally calculated storage charges that were incurred on account of breach by the Claimant. The matter is currently pending.

AKBTPL

1. The Gujarat Pollution Control Board, Gandhinagar, issued a show cause notice dated March 13, 2017 against Adani Kandla Bulk Terminal Private Limited ("**AKBTPL**"), wherein it stated that it had conducted an inspection on December 19, 2016 to verify the statements made by AKBTPL in its application for consent to operate under the Air Act with a view to ascertain AKBTPL's compliances with the conditions specified in the consent order. Based on the inspection, the Gujarat Pollution Control Board observed that heavy dust from vehicle movements was observed near the coal heap yard, smoke was sighted in the coal heap, and that the sprinkler system was not observed to be in operation. Accordingly, it directed AKBTPL to show cause as to why its application should not be rejected and the unit be suspended or closed. AKBTPL filed a reply on May 26, 2017 stating that it has a dedicated dust control system for bowsers and tenders, and housekeeping staff and mechanized equipment for regular cleaning. In addition, AKBTPL stated that it had installed firefighting systems and dust suppression systems along with fire crew, fire hydrant systems and other measures for effective dust control in areas. Lastly, the dust suppression systems and firefighting systems have 57 sprinklers and 29 firefighting water monitors to control smoldering and smoke. To keep these systems ready, they have a dedicated maintenance team to minimize operational turnaround time. AKBTPL has not received any notice for appearance or summons in the present matter.

2. Javed Hasan Manjothi and Asgar Amad Chharecha (the **"Petitioners"**) filed a writ petition (in the nature of public interest litigation) before the High Court of Gujarat against the State of Gujarat, Gujarat Coastal Zone Management Authority, Gujarat Pollution Control Board, Ministry of Environment and Forest, Adani Kandla Bulk Terminal Private Limited ("**AKBTPL**") and Deendayal Port Trust. The Petitioners, *inter alia*, alleged that the large scale construction activity of a railway line in CRZ-I category area by AKBTPL is in gross violation of the CRZ notifications, the Environment Protection Act and the EIA notification of 2006. It is alleged that the importing and storing of coal in the low lying open areas is in violation of the rules of storage of the same. Further, AKBTPL has sought approval for the construction of the second and third railway line, which are already operational as such. The allegedly illegal activities of AKBTPL have prompted the fishermen to travel longer distances to fish for their livelihood which is financially unviable. The Petitioners have sought interim relief and *inter alia*, requested that AKBTPL be directed to (i) ensure free access to fisherman of Vandi village, Tuna to the sea and immediately remove the construction; (ii) ensure blocked creeks are opened and mangroves are restored; and (iii) compensate the fisherman and impose exemplary penalty. The matter is currently pending.

DPCL

1. Mahendra Kumar Mahapatra filed a writ petition (in the nature of public interest litigation) before the Orissa High Court against the State of Orissa, DPCL and certain other companies. The petitioner, *inter alia*, alleged that the illegal construction work and industrial and mining activities being undertaken by DPCL is in gross violation of the Wildlife (Protection) Act, 1972, Environment (Protection) Act, 1986 and orders passed by the Supreme Court in a similar case. The petitioner has requested for *inter alia* a direction that no construction, industrial or mining activity is to be permitted within 10 kilometers of some of the wild-life sanctuaries situated in the Dhamra area and for suspension of environmental clearance granted to all the respondent companies conducting activities in said area. The matter was last listed before the Orissa High Court on July 23, 2018 and is yet to be listed for hearing.

2. The Commissioner of Central Excise, Customs and Service Tax, Bhubaneshwar issued a demand cum show cause notice to DPCL on May 8, 2013 ("**Notice-1**") in respect of reverse charge on import of dredging services amounting to ₹26.24 million. DPCL filed a response to the demand cum show cause notice on August 8, 2013 stating that the Notice-1 is untenable and the demand of service tax thereunder is unsustainable. The matter is currently pending.

   Further, the Commissioner (Audit), Central Excise and Service Tax, Bhubaneshwar issued a demand sum show cause notice dated August 25, 2016 ("**Notice-2**", and collectively with Notice-1 as referred to as the "**Notices**") for ₹12.06 million for the period between April 2012 to March 2013 in relation to demand of service tax on reimbursement of fuel charges and de mobilization charges paid by DPCL to Chell chart, under RCM as import of service. Further, on November 22, 2016, DPCL filed a reply to the Notice-2 stating that the demand of service tax is unsustainable.

   The Principal Commissioner, CGST and Central Excise, Bhubaneswar, by way of its order dated July 17, 2020 (the "**Impugned Order**") has confirmed the aggregate demand of service tax ₹38.30 million under the Notices. Subsequently, DPCL has filed an appeal before the Central Excise and Service Tax Appellate Tribunal, Kolkata against the Impugned Order. The matter is currently pending.

3. The Commissioner of Central Excise, Customs and Service Tax, Bhubaneshwar issued a demand cum show cause notice to DPCL on April 15, 2011 ("**Notice-1**") in respect of denial of CENVAT credit of capital goods and input services for construction of railway line and lighting towers amounting to ₹27.03 million. DPCL filed a response to the demand cum show cause notice on August 1, 2011 stating that there was no case for reversal of CENVAT credit against DPCL.

   Further, The Additional Commissioner of Central Excise, Customs and Service Tax, Bhubaneshwar issued a demand cum show cause notice to DPCL on April 15, 2011 ("**Notice-2**", and collectively with Notice-1 as referred to as the "**Notices**") in respect of denial of CENVAT credit of capital goods and input services for construction of railway line and lighting towers amounting to ₹3.44 million. DPCL filed a response to the demand cum show cause notice on August 16, 2011 stating that there was no case for reversal of CENVAT credit against DPCL.

   The Commissioner of Central Excise, Customs and Service Tax, Bhubaneshwar, by way of its combined order dated January 13, 2020 (the "**Impugned Order**") has confirmed the demand of service tax under the Notices along with equivalent penalty. Subsequently, DPCL has filed an appeal before the Central Excise and Service Tax Appellate Tribunal, Kolkata. The matter is currently pending.

4. The Commissioner (Audit), Central Excise and Service Tax, Bhubaneshwar ("**Commissioner**") issued a demand cum show cause notice dated March 10, 2016 for an amount of ₹632.91 million for the period between Fiscal Year 2012 to Fiscal Year 2015 in relation to the service tax charged on revenue sharing with East Coast Railway for services provided under the "Support services of Business or Commerce" agreement. DPCL replied to the demand cum show cause notice on May 27, 2016. The Commissioner, by way of its order dated March 5, 2018, confirmed the demand for an amount of ₹632.91 along with equivalent penalty, against which an appeal has been filed by DPCL before Central Excise and Service Tax Appellate Tribunal, Kolkata ("**CESTAT**"). The matter is currently pending before CESTAT, Additionally, DPCL has also received a demand cum show cause notice for the period from Fiscal Year 2016 to Fiscal Year 2018 demanding service tax amounting to ₹574.1 million. The matter is currently pending.

5. The Commissioner (Audit), Central Excise and Service Tax, Bhubaneshwar has issued a demand cum show cause notice dated October 16, 2015 for ₹29.37 million for the period between April 2010 to March 2014 in relation to denial of CENVAT credit on certain services, such as construction, repairs and maintenance, housekeeping and consulting engineers. DPCL filed a reply in relation to the demand cum show cause notice on December 31, 2015. The Office of the Commissioner of Central Tax, Rourkela vide order dated August 31, 2017 (the "**Order**") dropped the demand of service tax credit amounting to ₹19.59 million and imposed a penalty equal to the disallowed credit of ₹9.77 million. DPCL filed an appeal against the Order before the Customs Excise and Service Tax Appellate Tribunal, Kolkata on December 12, 2017. The matter is currently pending.

6. The Assistant Commissioner, Central Excise and Service Tax, Bhubaneshwar-I issued a demand cum show cause notice dated April 11, 2017 for ₹4.18 million in relation to denial of the credit for certain services, such as construction, repairs and maintenance and housekeeping for the period between April 2014 to March 2016. DPCL filed a response to the demand cum show cause notice on October 11, 2017 stating that there was no irregularity in the credit availed by DPCL. The matter is currently pending.

AALL

1. AALL has filed a statement of claim against the Food Corporation of India (the "**Respondent**") before the arbitral tribunal ("**Tribunal**") challenging, *inter alia,* the actions of the Respondent in wrongfully calculating the storage cum handling charges to be paid to AALL by not including the increase in the rates on account of the increase in wholesale price index as agreed between AALL and the Respondent. AALL had entered into a service agreement dated June 28, 2005 with the Respondent to, *inter alia*, (i) construct and maintain base depots and field depots capable of handling and storage of food grains; and (ii) construct as well as maintain rail and road access to seven depots associated with two circuits across the country having base depots at Moga and Kaithal, respectively (the "**Agreement**"). As per the terms of the Agreement, the Respondent was required to pay storage cum handling charges to AALL irrespective of the level of usage of depots. Further, the storage cum handling charges were to be paid taking into account the annual guaranteed tonnage, 70% of the inflation rate based on the wholesale price index ("**WPI**") and the unit rate per tonne. Accordingly, the charges were to be increased based on the increase in WPI every year commencing from 2008. However, the Respondent did not pay charges to AALL taking into account the WPI, but paid the charges considering only the actual utilization of the storage capacity from the year of operations, i.e., 2007. Subsequently, AALL raised the aforesaid issue in its letter dated May 9, 2012 and issued supplementary invoices reflecting the increased charges on account of the increase in WPI. However, the Respondent calculated the increase in WPI only from the year 2013 onwards rather than from the year 2008. Accordingly, AALL and the Respondent entered into a supplementary agreement dated February 12, 2013 (the "**Supplementary Agreement**") wherein the Respondent agreed to pay charges taking into account the escalation in WPI subject to procurement of additional wagons for transportation by AALL (which requirement was duly satisfied by AALL).

However, the Respondent wrongfully calculated the storage-cum-handling charges by considering the operation date as September 28, 2013 rather than May 11, 2007 for determining escalation based on WPI. Accordingly, AALL initiated arbitration proceedings under the Agreement claiming, *inter alia*, (i) payment of an amount of ₹1,988.0 million towards storage-cum-handling charges taking into account the correct WPI's escalation for the period from 2008-2017; (ii) payment of an amount of ₹383.6 million towards storage cum handling charges based on the WPI's escalation for the Financial Year 2017-18; (iii) payment of an amount of ₹8.0 million towards additional storage capacity utilized by the Respondent at the agreed rate of 25% of the storage-cum-handling charges (rather than the reduced charges specified under the Supplementary Agreement to be paid by the Respondent until additional wagons were purchased by AALL). In the alternate, AALL has sought a direction from the Tribunal declaring the operation date as September 28, 2013 and accordingly considering the duration of the agreement as 20 years commencing from such date, with the charges and escalation thereon to be calculated accordingly. Subsequently, the Respondent filed a statement of defense, contesting the aforesaid claims. The matter is currently pending.

Adani Vizag

1. Adani Vizag has received a show cause notice dated April 19, 2014 from the Office of the District Registrar of Assurance, Registration and Stamps Department, Government of Andhra Pradesh (the "**Notice**"). The Notice has been issued pursuant to the Vigilance and Enforcement Department having identified non-payment of stamp duty of ₹167.72 million in connection with an unregistered license agreement between the board of trustees of Vizag Port and Adani Vizag dated August 1, 2011. In accordance with the Notice, Adani Vizag has been requested to pay the deficit stamp duty or submit any objections or representations in writing. The matter is currently pending.

MIDPL

1. MIDPL received an assessment order dated December 9, 2019 (the "**Assessment Order**") from the Office of Assistant Commissioner of Income Tax, Chennai (the "**Commissioner**") for the assessment year 2017-18. The claim of depreciation on goodwill of L&T Shipbuilding Limited (the "**Demerged company**") amounting to ₹732 million was disallowed by the Commissioner on the grounds that the goodwill has been generated pursuant to the scheme of demerger and that the Demerged company cannot claim to have any goodwill in its books. MIDPL has filed appeal before the Commissioner of Income-Tax (Appeals), Chennai against the Assessment Order. The matter is currently pending.

Adani Hazira

1. Adani Hazira received a demand notice dated September 15, 2020 ("**Notice**") from the Assistant Director of Income Tax, CPC for the assessment year 2019-20 for an amount of ₹96.62 million. Adani Hazira has filed an appeal against the Notice before the Commissioner of Income-Tax (Appeals) on the grounds of error in assessing book profit and levy of interest under relevant provisions of the Income Tax Act, 1961. The matter is currently pending.

TERMS AND CONDITIONS OF THE NOTES

The following, subject to modification and other than the words in italics, is the text of the terms and conditions of the Notes which will appear on the reverse of each of the definitive certificates evidencing the Notes:

Any redemption of the Notes prior to the Maturity Date (as defined below) may require the Issuer to obtain the prior approval of the Reserve Bank of India or the designated authorized dealer Category 1 bank, as the case may be, in accordance with the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, the circular on External Commercial Borrowings (ECB) Policy — Rationalisation of End-use Provisions dated July 30, 2019 and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, in each case as amended from time to time, and such approval may not be forthcoming.

The issue of the Notes was authorized by a resolution of the Board of Directors of Adani Ports and Special Economic Zone Limited (the "**Issuer**") passed on July 7, 2020 and by a resolution of the shareholders of the Issuer passed on August 11, 2015. The Notes are constituted by a trust deed (as amended and/or supplemented from time to time, the "**Trust Deed**") dated February 2, 2021 (the "**Closing Date**") between the Issuer and The Bank of New York Mellon (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and the holders of the Notes. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes. Copies of the Trust Deed, and of the agency agreement dated the Closing Date (as amended and/or supplemented from time to time, the "**Agency Agreement**") relating to the Notes between the Issuer, the Trustee and the initial principal paying agent, registrar, transfer agent and paying agents named in it, are available for inspection between 9:30 a.m. and 3:30 p.m., Monday to Friday (except public holidays) at the principal place of business of the Trustee (being at the Closing Date at 240 Greenwich Street, New York, NY 10286, United States of America) and at the specified office of the principal paying agent for the time being (the "**Principal Paying Agent**") following, in each case, prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent.

References to the registrar for the time being (the "**Registrar**") and to the transfer agent for the time being (the "**Transfer Agent**", which expression shall include the Registrar) mean The Bank of New York Mellon. References to the paying agents (the "**Paying Agents**") mean the paying agents appointed as such from time to time under the Agency Agreement, and includes the Principal Paying Agent. References to the "**Agents**" mean the Registrar, the Transfer Agent and the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

All capitalized terms that are not defined in these conditions (the "**Conditions**") will have the meanings given to them in the Trust Deed.

1 Form, Specified Denomination and Title

1.1 Form and Denomination

The Notes are issued in registered form in the denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof (referred to as the "**principal amount**" of each Note). A note certificate (each a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar (the "**Register**"), and, save as provided in Condition 2.1, each Certificate shall represent the entire holding of Notes by the same holder.

1.2 Title

Title to the Notes passes only by registration in the Register. The holder of any Note will (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or the theft or loss of the Certificate issued in respect of it) (other than a duly executed transfer thereof in the form endorsed thereon), and no person will be liable for so treating the holder.

In these Conditions, "**Noteholder**" and "**holder**" mean the person in whose name a Note is registered.

Upon issue, the Notes offered outside the U.S. in reliance on Regulation S of the Securities Act will be represented by one or more Regulation S Global Certificates registered in the name of a nominee for, and deposited with, a custodian for, DTC for the accounts of Euroclear and Clearstream and the Notes offered within the U.S. to qualified institutional buyers in compliance with the exemption from registration provided by Rule 144A of the Securities Act will be represented by one or more Rule 144A Global Certificates registered in the name of a nominee for, and deposited with a custodian for, DTC.

The Conditions are modified by certain provisions contained in the Regulation S Global Certificates and the Rule 144A Global Certificates. See "Global Certificates".

2 Transfers of Notes

2.1 Transfer

Subject to Condition 2.4 and Condition 2.5, a Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or the Transfer Agent.

Transfers of interests in the Notes evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing systems.

2.2 Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2.1 shall, within five business days of receipt by the Registrar or the Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the new Certificate to the address specified in the form of transfer unless such holder requests otherwise and pays in advance to the Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance it may specify. In this Condition 2.2, "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar (as the case may be).

Except in the limited circumstances described in the Global Certificates, owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the Transfer Agent of the original Certificate, be mailed by uninsured mail (at the cost of the Issuer) at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer.

2.3 Formalities free of charge

Registration of a transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity and/or security as the Issuer or any Agent may require) in respect of any tax, duty or other governmental charges which may be imposed in relation to such transfer.

2.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal, premium or interest on that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6.2 or Condition 6.4, or (iii) after any such Note has been called for redemption.

2.5 Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar, with the prior written approval of the Issuer and the Trustee. A copy of the current regulations will be mailed (at the cost of the Issuer and free of charge to the Noteholder) by the Registrar to any Noteholder who requests one following written request therefor and proof of holding and identity satisfactory to the Registrar.

3 Status

3.1 The Notes constitute (subject to Condition 4.1) unsecured and unsubordinated obligations of the Issuer and will rank at all times *pari passu* without any preference among themselves and at least *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4 Negative Pledge and Covenants

4.1 Negative Pledge

4.1.1 So long as any Note remains outstanding, the Issuer shall not create or permit to subsist any Security (as defined in Condition 4.3) for the benefit of the holders of any Securities (as defined in Condition 4.3) upon the whole or any part of its property or assets, present or future, other than share capital of any joint venture that is not consolidated in the Issuer's consolidated financial statements in accordance with Ind AS, to secure:

(i) payment of any sum due in respect of any Securities;

(ii) any payment under any guarantee of any Securities; or

(iii) any indemnity or other like obligation in respect of any Securities,

without in any such case at the same time according to the Notes (x) the same Security as is granted to or is outstanding in respect of such Securities or (y) such guarantee, indemnity or other like obligation or such other Security as shall be approved by the holders of the Notes by Extraordinary Resolution.

4.1.2 So long as any of the Notes remain outstanding, the Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, provide any Security for the Indebtedness of any person other than a member of the APSEZ Group, other than Security upon share capital of any joint venture that is not consolidated in the Issuer's consolidated financial statements in accordance with Ind AS,

without in any such case at the same time according to the Notes (x) the same Security as is provided for such Indebtedness or (y) such guarantee, indemnity or other like obligation or such other Security as shall be approved by the holders of the Notes by Extraordinary Resolution.

4.2 Covenants

4.2.1 Limitation on Transactions with Sponsor Affiliates

So long as any of the Notes remain outstanding, the Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, make any payment to, or enter into, renew or extend any transaction or arrangement with any Sponsor Affiliate (each, an "**Affiliate Transaction**"), unless:

(i) such Affiliate Transaction is in the ordinary course of business;

(ii) such Affiliate Transaction is in the nature of Permitted Business; or

(iii) such Affiliate Transaction is otherwise permitted under these Conditions.

4.2.2 Limitation on Asset Sales

So long as any of the Notes remain outstanding, the Issuer will not, and will not permit any of its Subsidiaries to, consummate any Asset Sale, unless:

(i) any adverse impact on Consolidated EBITDA for the two most recent semi-annual periods for which financial statements are available, as adjusted on a pro forma basis for such Asset Sale (including the application of the use of proceeds thereof) (when aggregated with all other Asset Sales since the beginning of such two most recent semi-annual periods), is not greater than 15 per cent.; and

(ii) no Default would occur as a consequence of such Asset Sale or be continuing following such Asset Sale.

4.2.3 Permitted Businesses

The Issuer will not, and will not permit any of its Subsidiaries to, engage in any business other than Permitted Businesses.

4.2.4 Amendments to Material Agreements

The Issuer will, and will cause its Subsidiaries to, (i) not amend, vary, repudiate, assign or transfer any concession or sub-concession agreement (the "**Concession Agreements**"), except to the extent that such amendment, variation, repudiation, assignment or transfer would not reasonably be expected to have a Material Adverse Effect; (ii) use reasonable endeavors to ensure that the Concession Agreements remain valid for the concession period and enforceable and that it is not unlawful for the Issuer or its Subsidiaries to perform their obligations thereunder; and (iii) comply with and not take or fail to take any action under any Concession Agreement, except to the extent that such non-compliance, act or failure to act would not reasonably be expected to have a Material Adverse Effect.

4.2.5 Provision of Financial Information and Reports

So long as any of the Notes remain outstanding, the Issuer will deliver to the Trustee and, in addition, will upload on its website and furnish to the Noteholders upon request:

(i) as soon as they are available, but in any event within 120 days after the end of each Fiscal Year of the Issuer, copies of its financial statements (on a consolidated basis) in respect of such Fiscal Year (including a statement of income, balance sheet and cash flow statement) audited by the Issuer's auditors; and

(ii) as soon as they are available, but in any event within 90 days after the end of the second fiscal quarter of each Fiscal Year of the Issuer, copies of its financial statements (on a consolidated basis) in respect of such half-year period unaudited or audited or limited reviewed by the Issuer's auditors.

4.3 Definitions

For the purposes of these Conditions:

(i) "**Affiliate**" means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by, or under direct or indirect common control with, such Person or who is a director or officer of such Person or any Subsidiary of such Person. For purposes of this definition, "**control**" (including, with correlative meanings, the terms "**controlling**", "**controlled by**" and "**under common control with**"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of share capital, the possession of voting rights, contract or otherwise;

(ii) "**APSEZ Group**" means the Issuer and its Subsidiaries, joint ventures and associates (to the extent of the Issuer's ownership, directly or indirectly) as defined under Ind AS and as would be included for purposes of preparing the Issuer's consolidated financial statements in accordance with Ind AS;

(iii) "**Asset Sale**" means any sale, transfer or other disposition (including by way of merger, consolidation or sale and leaseback transaction) of any of the Issuer's or any of its Subsidiaries' property or assets (including any sale of capital stock of a Subsidiary or issuance of capital stock of a Subsidiary) in one transaction or a series of related transactions by the Issuer or any of its Subsidiaries to any Person other than the Issuer or any other Subsidiary; provided that "Asset Sale" will not include:

(a) the sale, lease or other transfer of accounts receivable, inventory, trading stock and other assets in the ordinary course of business (including the abandonment, sale or other disposition of damaged, worn out or obsolete assets or assets or intellectual property that are, in the reasonable judgment of the Issuer, no longer economically practicable to maintain or useful);

(b) licences, sub-licences, subleases, assignments or other dispositions of software or intellectual property in the ordinary course of business;

(c) operating leases of fixed assets in the ordinary course of business;

(d) the sale or other disposition of cash or temporary cash equivalents;

(e) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(f) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(g) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(h) any unwinding or termination of any swap, option, hedge, forward, futures or similar transactions;

(i) the disposition of assets which are seized, expropriated or compulsory purchased by or by the order of any central or local government authority;

(j) the disposition of assets to another person whereby such assets are leased back from such person; and

(k) assets held for sale in the ordinary course of business;

(iv) "**Consolidated EBITDA**" means "Earnings before Interest, Tax, Depreciation and Amortization" determined on a consolidated basis for the APSEZ Group and based on Ind AS for the relevant period, considering net sales/income from operations, other operating income and other income and deducting operating expenses, employee costs and other/administrative expenses, excluding foreign exchange (gain)/loss (net);

(v) "**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default;

(vi) "**EBITDA**" means "Earnings before Interest, Tax, Depreciation and Amortization" determined for the relevant entity (on a consolidated basis where such entity has subsidiaries) and based on Ind AS for the relevant period, considering net sales/income from operations, other operating income and other income and deducting operating expenses, employee costs and other/administrative expenses, excluding foreign exchange (gain)/loss (net);

(vii) "**ECB Guidelines**" means the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, the circular on External Commercial Borrowings (ECB) Policy — Rationalisation of End-use Provisions dated July 30, 2019 and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, taken together, and in each case as amended from time to time;

(viii) "**Fiscal Year**" refers to the year ended on March 31;

(ix) "**Fitch**" means Fitch Inc., a subsidiary of Fimalac, S.A.;

(x) "**Incur**" means, with respect to any Indebtedness, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness. The term "Incurred" has a correlative meaning with the foregoing;

(xi) "**Ind AS**" means the Indian Accounting Standards as in effect from time to time;

(xii) "**Indebtedness**" means any indebtedness Incurred for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) any amount raised under any other transaction having the commercial effect of a borrowing with a term of more than 360 days and required by Ind AS to be shown as a borrowing in the balance sheet of the Issuer;

(e) shares which are expressed to be redeemable on or before the Maturity Date (for the avoidance of doubt, any non-cumulative redeemable preference shares that mature subsequent to the Maturity Date shall not be considered Indebtedness); and

(f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(xiii) "**Investment Grade Status**" in respect of any corporate credit rating assigned to the Issuer by Fitch, S&P or Moody's means: (a) "BBB-" or higher by Fitch; (b) "BBB-" or higher by S&P; or (c) "Baa3" or higher by Moody's;

(xiv) "**Material Adverse Effect**" means any action of the Issuer that has:

(a) a material adverse effect on the ability of the Issuer to perform its payment or other material obligations under the Notes due to a change in the APSEZ Group's business, operations, financial condition, assets or cash flow; or

(b) an adverse impact on the legality, validity, binding nature or enforceability of the whole or any material part of the Notes;

(xv) "**Material Subsidiary**" means any Subsidiary whose EBITDA, as derived from the latest audited or reviewed accounts (consolidated in the case of a Subsidiary which itself has subsidiaries) of such Subsidiary, is at least 10 per cent. of the Consolidated EBITDA of the Issuer, as derived from the latest audited or reviewed consolidated accounts of the Issuer, including any such Subsidiary as may be acquired or formed by the Issuer from time to time during the term of the Notes;

(xvi) "**Moody's**" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation;

(xvii) "**Officer's Certificate**" means a certificate signed by an executive officer or a director of the Issuer who is also an authorized signatory of the Issuer;

(xviii) "**Permitted Businesses**" means all or any of the businesses conducted or proposed to be conducted as permitted under the Memoranda of Association of the entities in the APSEZ Group;

(xix) "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity);

(xx) "**Rating Agency**" means any of S&P, Moody's or Fitch, and any of their successors, as applicable;

(xxi) "**Securities**" means bonds, debentures, notes or other similar securities of the Issuer or any other person which both:

(a) are by their terms payable, or confer a right to receive payment, in, or by reference to, any currency other than rupees, or which are denominated in rupees, issued pursuant to the ECB Guidelines of the Reserve Bank of India ("**RBI**") and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside India by or with the authorization of the Issuer; and

(b) are for the time being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside India;

(xxii) "**Security**" means any mortgage, charge, pledge, lien, hypothecation or other form of encumbrance or security interest;

(xxiii) "**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc;

(xxiv) "**Sponsor Affiliate**" means Adani Enterprises Limited and any Affiliate of Adani Enterprises Limited; provided, however, that, for the purposes of these Conditions, entities in the APSEZ Group are not Sponsor Affiliates; and

(xxv) "**Subsidiary**" means any company or other business entity of which the first company owns or controls (either directly or indirectly through another or other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or any company or other business entity which at any time has its accounts consolidated with those of the first company, or which under Indian law, regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of the relevant company.

4.4 Trustee not obliged to monitor

The Trustee shall not be under any duty to monitor (and will not be responsible or liable for any loss arising from it not doing so) whether the Issuer has complied with the provisions of this Condition 4, and unless it has received express notice in writing from the Issuer in accordance with the Trust Deed to the contrary, the Trustee may assume that the Issuer has complied with all of the provisions mentioned above. The Trustee may rely conclusively on each Officer's Certificate and shall not be responsible or liable to any Noteholder, the Issuer or any other person for the contents of any Officer's Certificate, nor shall it be responsible or liable for acting (or refraining from acting) on or in reliance on any Officer's Certificate.

5 Interest

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including the Closing Date at the rate of 3.10 per cent. per annum, payable semi-annually in arrear on February 2 and August 2 in each year (each an "**Interest Payment Date**"). The first payment (for the period from and including the Closing Date to but excluding August 2, 2021) will be made on August 2, 2021.

If any Interest Payment Date falls on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition 5, "**Business Day**" means in relation to any place a day (other than a Saturday or Sunday) on which commercial banks are open for business in Singapore, New York, Mumbai and, in the case of presentation of a Note Certificate, in the place in which the Note Certificate is presented.

5.2 Interest Accrual

Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of:

(a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and

(b) the day falling seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

5.3 Calculation of Broken Interest

If interest is required to be calculated for a period of less than six months, the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

All interest payable on the Notes shall be subject to applicable laws in India, including but not limited to the ECB Guidelines.

6 Redemption and Purchase

6.1 Final Redemption

Unless previously redeemed, or purchased and canceled, the Notes will be redeemed at their principal amount together with accrued but unpaid interest (if any) in accordance with Condition 5 on February 2, 2031 (the "**Maturity Date**"). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

6.2 Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, or in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 and to the Trustee and each Paying Agent in writing (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that on the occasion of the next payment due under the Notes the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the relevant Tax Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it (*provided* that changing the jurisdiction of the Issuer is not a reasonable measure for purposes of this Condition 6.2), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Trustee a certificate in English signed by two Directors of the Issuer, each of whom is also an authorized signatory of the Issuer, stating that it is obliged to pay Additional Tax Amounts in accordance with Condition 8 and that such obligation cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6.2, in which event it shall be conclusive and binding on the Noteholders.

The ECB Guidelines, at the time of redemption for taxation reasons, may require the Issuer to obtain the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, in accordance with the ECB Guidelines before providing notice for or effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming. See "Risk Factors — Risks Related to the Notes — Approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, is required for repayment of the Notes prior to maturity, including upon an event of default".

6.3 Change of Control Put Option

Upon the occurrence of a Change of Control Triggering Event (as defined in this Condition 6.3), each Noteholder shall have the right to require that the Issuer redeem such Noteholder's Notes at 101 per cent. of their principal amount (together with interest accrued to (but excluding) the date fixed for redemption).

Not later than seven days after becoming aware of any Change of Control Triggering Event, the Issuer will give notice to the Noteholders in accordance with Condition 16 and to the Trustee and each Paying Agent in writing (the "**Change of Control Offer**") stating:

(i) that a Change of Control Triggering Event has occurred and that each Noteholder has the right to require the Issuer to redeem such Noteholder's Notes at 101 per cent. of their principal amount (together with interest accrued to (but excluding) the date fixed for redemption);

(ii) the circumstances and relevant facts regarding such Change of Control;

(iii) the redemption date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is given); and

(iv) the instructions, as determined by the Issuer, consistent with this Condition 6.3, that a Noteholder must follow in order to have its Notes purchased.

None of the Trustee or the Agents shall be required to take any steps to ascertain whether a Change of Control or a Change of Control Offer or any event which could lead to a Change of Control or a Change of Control Offer has occurred or may occur, and each of them shall be entitled to assume that no such event has occurred until they have received written notice to the contrary from the Issuer. None of the Trustee or the Agents shall be required to take any steps to ascertain whether the condition for the exercise of the rights of Noteholders in accordance with this Condition 6.3 has occurred. None of the Trustee or the Agents shall be responsible for determining or verifying whether a Note is to be accepted for redemption under this Condition 6.3 and none of them will be responsible or liable to Noteholders, the Issuer or any other person for any loss or liability arising from any failure by it to do so. None of the Trustee or the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under this Condition 6.3 or under any of Conditions 6.1, 6.2 or 6.4 and none of them will be responsible or liable to Noteholders, the Issuer or any other person for any loss arising from any failure by it to do so.

In this Condition 6.3:

"**Adani Group**" means Mr. Gautam S. Adani, any Person who is related to Mr. Gautam S. Adani by blood or marriage and any combination of those Persons acting together;

a "**Change of Control**" occurs when:

(i) the Adani Group, directly or indirectly, no longer has control of at least 26 per cent. of the voting rights of the issued share capital of the Issuer;

(ii) any other Person (acting alone or in concert with any other parties, but other than a Person controlled by the Adani Group) controls, directly or indirectly, a greater percentage of the voting rights of the issued share capital of the Issuer or has the right to appoint and/or remove all or the majority of the members of the Issuer's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; or

(iii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person (other than a Person controlled by the Adani Group), unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring control over the Issuer or the successor entity;

"**Change of Control Triggering Event**" means the occurrence of a Change of Control; provided, however, it shall not constitute a Change of Control Triggering Event unless and until a Rating Downgrade due to such Change of Control shall also have occurred;

"**Rating Category**" means: (i) with respect to S&P, any of the following categories: "BB", "B", "CCC", "CC", "C" and "D" (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories: "Ba", "B", "Caa", "Ca", "C" and "D" (or equivalent successor categories); (iii) with respect to Fitch, any of the following categories: "BB", "B", "CCC", "CC", "C", and "D" (or equivalent successor categories); and (iv) the equivalent of any such category of S&P, Moody's and Fitch used by another Rating Agency. In determining whether the rating of the Issuer has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and Fitch; "1", "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P and Fitch, a decline in a rating from "BB+" to "BB", as well as from "BB-" to "B+" will constitute a decrease of one gradation);

"**Rating Date**" means, in connection with a Change of Control Triggering Event, that date which is 30 days prior to the earlier of (i) a Change of Control, (ii) the initial public notice of the occurrence of a Change of Control by the Issuer, and (iii) the date that the acquirer or prospective acquirer (a) has entered into one or more binding agreements with the Issuer and/or shareholders of the Issuer that would give rise to a Change of Control or (b) has commenced an offer to acquire outstanding capital stock of the Issuer; and

"**Rating Downgrade**" means in connection with a Change of Control Triggering Event, the occurrence on, or within 60 days after, the earlier of (i) the date a Change of Control occurs, or (ii) public notice of the occurrence of (a) a Change of Control or (b) the intention by the Issuer or any other person or persons to effect a Change of Control (which period shall be extended so long as the corporate credit rating of the Issuer is under publicly announced consideration for possible change by any of the Rating Agencies due to such Change of Control), of any of the events listed below:

(1) if the Issuer is rated by three Rating Agencies on the Rating Date as having Investment Grade Status, the rating of the Issuer by any two Rating Agencies shall be withdrawn or downgraded to below Investment Grade Status;

(2) if the Issuer is rated by one or two Rating Agencies on the Rating Date as having Investment Grade Status, the rating of the Issuer by any such Rating Agency shall be withdrawn or downgraded to below Investment Grade Status; or

(3) if the Issuer is not rated Investment Grade Status by any Rating Agencies on the Rating Date, the rating of the Issuer by any Rating Agency shall be withdrawn or decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

The ECB Guidelines may require the Issuer to obtain the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, in accordance with the ECB Guidelines before effecting a redemption of the Notes prior to the Maturity Date and such approval may not be forthcoming. See "Risk Factors — Risks Related to the Notes — Approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, is required for repayment of the Notes prior to maturity, including upon an event of default".

6.4 Redemption at the Option of the Issuer

The Notes may be redeemed at the option of the Issuer in whole, or in part, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 and to the Trustee and each Paying Agent in writing, at their principal amount *plus* the Applicable Premium applicable to such Notes (together with interest accrued to (but excluding) the date fixed for redemption). Any such redemption or notice may, at the discretion of the Issuer, be subject to the satisfaction of one or more conditions precedent. If any such redemption or notice is subject to the satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's discretion, the redemption date may be delayed until such time as such conditions are satisfied, or such redemption may not occur and such notice may be rescinded if such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed. No Applicable Premium applies if the Notes are redeemed within 182 days of the Maturity Date. For the avoidance of doubt, none of the Agents or the Trustee have any responsibility with respect to the determination, calculation or verification of the Applicable Premium.

In these Conditions:

"**Adjusted Treasury Rate**" means, with respect to any redemption date:

(a) the average of the yields in each statistical release for the immediately preceding week (from the calculation date) designated "H.15" or any successor release published by the Board of Governors of the Federal Reserve System which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the heading "U.S. government securities — Treasury constant maturities — nominal," for the maturity corresponding to the Comparable Treasury Issue; provided that if no maturity is within three months before or after the period from the redemption date to the maturity of the Comparable Treasury Issue, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from those yields on a straight-line basis rounding to the nearest month; provided further that if the period from the redemption date to the stated maturity of the Note is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year will be used; or

(b) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Adjusted Treasury Rate shall be calculated on the third Business Day preceding the redemption date;

"**Applicable Premium**" means, with respect to a Note on any redemption date, the excess of (i) the present value on such redemption date of 100 per cent. of the principal amount of such Note, *plus* all required remaining scheduled interest payments due on such Note through the stated maturity of the such Note (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (ii) the principal amount of such Note; and

"**Comparable Treasury Issue**" means the United States Treasury security selected by an Independent Investment Bank having a maturity most nearly equal to the period from the redemption date to the stated maturity of the Note;

"**Comparable Treasury Price** " means, with respect to any redemption date:

(a) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or

(b) if the Independent Investment Bank obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations;

"**Independent Investment Bank**" means a Reference Treasury Dealer selected and appointed by the Issuer (at its own cost) as such and notified in writing to the Trustee;

"**Primary Treasury Dealer**" means a primary U.S. government securities dealer in New York City;

"**Reference Treasury Dealer**" means:

(a) each of Barclays Bank PLC, Citigroup Global Markets Limited, DBS Bank Ltd., Emirates NBD Bank PJSC, J.P. Morgan Securities plc, Merrill Lynch (Singapore) Pte. Ltd., Mizuho Securities (Singapore) Pte. Ltd., MUFG Securities Asia Limited Singapore Branch, Standard Chartered Bank and their respective successors or any of their respective affiliates, so long as it is a Primary Treasury Dealer; provided that, if any such Person ceases to be a Primary Treasury Dealer, the Issuer will select another Primary Treasury Dealer to replace such Person; and

(b) any other Primary Treasury Dealer selected by the Issuer; and

"**Reference Treasury Dealer Quotation**" means, with respect to the relevant Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Bank, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

"**Treasury Rate**" means, with respect to any redemption date, the yield to maturity as of such redemption date of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to such date (or, if such Statistical Release is no longer published or does not contain such information, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the stated maturity of the Note; provided, however, that if the period from the redemption date to the stated maturity of the Note is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. Any such Treasury Rate shall be obtained by the Issuer.

The ECB Guidelines may require the Issuer to obtain the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, in accordance with the ECB Guidelines before effecting a redemption of the Notes prior to the Maturity Date and such approval may not be forthcoming. See "Risk Factors — Risks Related to the Notes — Approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, is required for repayment of the Notes prior to maturity, including upon an event of default".

6.5 Purchase

The Issuer and its Subsidiaries may at any time (if permitted under applicable laws) purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for various purposes, including without limitation for the purpose of calculating quorums at meetings of the Noteholders and for the purposes of Condition 12.1.

6.6 Cancellation

All Certificates representing Notes purchased by or on behalf of the Issuer shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Notes shall be canceled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6.7 Selection and Notice for Partial Redemptions

If less than all of the Notes are to be redeemed at any time, Notes will be redeemed on a pro rata basis unless otherwise required by law or applicable clearing system or stock exchange requirements. No Notes of U.S.$200,000 or less can be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed.

7 Payments

7.1 Method of Payment

7.1.1 Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of the Transfer Agent or the Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) by transfer to the registered account of the Noteholder.

7.1.2 Interest on each Note shall be paid to the person shown on the Register at the close of business 15 days before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made in U.S. dollars by credit or transfer to the registered account of the holder (or to the first named of joint holders) of such Note appearing in the Register.

7.1.3 For the purposes of this Condition 7.1, a Noteholder's "**registered account**" means the U.S. dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the Payment Business Day before the due date for payment.

7.1.4 If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

7.2 Payments subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders in respect of such payments.

7.3 Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date, or if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated and, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of the Transfer Agent or the Registrar, on a Payment Business Day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

7.4 Appointment of Agents

The Principal Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer or, as the case may be, the Trustee, and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent or any other Paying Agent and to appoint additional or other Paying Agents and Transfer Agents, subject to the terms of the Agency Agreement, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar with a specified office outside the United Kingdom, (iii) a Transfer Agent, and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved in writing by the Trustee.

Principal Paying Agent, Registrar and Transfer Agent

The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286
United States of America

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

So long as the Notes are listed on the SGX-ST and the rules of that exchange so require, if a Global Certificate is exchanged for definitive Certificates, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, if a Global Certificate is exchanged for definitive Certificates, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the Singapore agent.

7.5 Delay in Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a Payment Business Day, or if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a transfer is made in accordance with this Condition 7 it arrives after the due date for payment.

7.6 Payment Business Days

In this Condition 7, "**Payment Business Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business and settlement of U.S. dollar payments in New York City and (if surrender of the relevant Certificate is required) the relevant place of presentation.

8 Taxation

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of India or any authority therein or thereof having power to tax (each a "**Tax Jurisdiction**"), unless such withholding or deduction is required

by law. In such event, the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required by a Tax Jurisdiction, except that no Additional Tax Amounts shall be payable in respect of any Note:

8.1 **Other connection**: to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the relevant Tax Jurisdiction, other than the mere holding of the Note;

8.2 **Failure to provide certification**: to the extent a holder is liable for such taxes, duties, assessments or governmental charges because of the holder's failure to comply with any certification, identification or other reporting requirements concerning its nationality, residence, identity or connection with a relevant Tax Jurisdiction if (i) compliance is required by applicable law (but not including treaties), regulation or administrative practice as a precondition to exemption from all or a part of such taxes, duties, assessments or governmental charges, (ii) the holder is able to comply with those requirements without undue hardship and (iii) the Issuer has given to the holder prior written notice, at a time which would enable the holder acting reasonably to comply with such request, before any such withholding or deduction that the holder will be required to comply with such certification, identification or reporting requirements; or

8.3 **Surrender more than 30 days after the Relevant Date**: in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Note for payment on the last day of such period of 30 days.

"**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Notwithstanding the foregoing, no Additional Tax Amounts shall be payable for or on account of (i) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge, (ii) any taxes, duties, assessments or governmental charges that are imposed otherwise than by deduction or withholding from payments made under or with respect to the Notes, (iii) any taxes, duties, assessments or governmental charges that are imposed on or with respect to any payment on a Note to a holder who is a fiduciary, partnership, limited liability company, or person other than the Beneficial Owner of such payment to the extent that the Beneficial Owner with respect to such payment (or portion thereof) would not have been entitled to the Additional Tax Amounts had the payment (or the relevant portion thereof) been made directly to such Beneficial Owner and (iv) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**"), any current or future U.S. Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA. As used in clause (iii) above in this paragraph, "**Beneficial Owner**" means the person whom is required by the laws of the relevant Tax Jurisdiction to include the payment in income for tax purposes.

Any payments made by the Issuer are required to be within the all-in-cost ceilings prescribed under the ECB Guidelines and in accordance with any specific approvals from the RBI or the designated authorized dealer Category 1 bank, as the case may be, obtained by the Issuer in this regard.

9 Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

9.1 **Non-Payment**: the Issuer fails to pay the principal of or premium (if any) or interest on any of the Notes when due unless (i) such failure to pay is caused by administrative or technical error; and (ii) payment is made within seven days of its due date in the case of principal and within 14 days of its due date in the case of interest;

9.2 **Breach of Other Obligations**: the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed which default has a Material Adverse Effect and is, in the opinion of the Trustee, incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee;

9.3 **Cross-Acceleration**: (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised (a) becomes due and payable prior to its stated maturity by reason of any event of default, and such acceleration shall not be rescinded or annulled (by reason of a remedy, cure or waiver thereof with respect to the event of default upon which such acceleration is based) within 21 days after such acceleration, or (b) is not paid when due or, as the case may be, within any originally applicable grace period or (ii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9.3 have occurred equals or exceeds U.S.$100 million or its equivalent;

9.4 **Enforcement Proceedings**: a distress, attachment or execution is levied, enforced or sued out on or against the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 60 days;

9.5 **Security Enforced**: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and such step is not stayed within 60 days;

9.6 **Insolvency**: the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries;

9.7 **Winding-up**: an order is made and is not discharged or stayed within 60 days or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries;

9.8 **Nationalization**: the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer or any of its Material Subsidiaries;

9.9 **Illegality**: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed; and

9.10 **Analogous Events**: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in Conditions 9.6, 9.7 and 9.8.

The ECB Guidelines may require the Issuer to obtain the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, in accordance with the ECB Guidelines before effecting a redemption of the Notes prior to the Maturity Date upon the occurrence of an Event of Default and such approval may not be forthcoming. See "Risk Factors — Risks Related to the Notes — Approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, is required for repayment of the Notes prior to maturity, including upon an event of default".

10 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within seven years (in the case of principal and premium, if any) or five years (in the case of interest) from the appropriate Relevant Date in respect of them. Neither the Trustee nor any of the Agents shall be responsible for any amounts so prescribed.

11 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or the Transfer Agent as may from time to time be designated by the Registrar for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Registrar or the Transfer Agent may in their discretion require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Noteholders, Modification, Waiver and Substitution

12.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if it is requested in writing by Noteholders holding not less than 25 per cent. in aggregate principal amount of the Notes for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. A meeting that has been validly convened may be cancelled by the person who

convened the meeting by giving at least five days' notice (exclusive of the day on which the notice is given and the day of the meeting) to the Noteholders. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing 66⅔ per cent. in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of any premium payable on redemption of, or interest on, the Notes, (iii) to change the currency of payment of the Notes or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 66⅔ per cent., or at any adjourned meeting not less than 33⅓ per cent., in aggregate principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate principal amount of the Notes outstanding, and who are for the time being entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed, shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

*For so long as the Notes are in the form of one or more Global Certificates, if the terms of a resolution proposed by the Issuer or the Trustee have been notified to the Noteholders through the relevant clearing system(s), each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding ("**Electronic Consent**"). An Electronic Consent shall take effect as an Extraordinary Resolution. An Electronic Consent will be binding on all Noteholders, whether or not they participated in such Electronic Consent.*

12.2 Modification of the Trust Deed

The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorization of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorization or waiver shall be binding on the Noteholders and, unless the Trustee otherwise agrees, such modification shall be notified by the Issuer to the Noteholders as soon as practicable.

12.3 Substitution

The Trust Deed contains provisions permitting (but not obliging) the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of any other company in place of the Issuer or of any previous substituted company, as principal debtor under the Trust Deed

and the Notes; provided that either (i) immediately after such substitution, the Issuer must deliver to the Trustee an opinion of counsel of recognized standing with respect to U.S. federal income tax matters that the beneficial owners of the Notes will not recognize gain or loss for U.S. federal income tax purposes as a result of such substitution and will be subject to the same U.S. federal income tax consequences as if such substitution did not occur, or (ii) (a) the substituted company is a Subsidiary or an Affiliate of the Issuer, (b) the Notes are unconditionally and irrevocably guaranteed by the Issuer, (c) the substitution is not, in the judgment of the Issuer (based on the advice of such independent auditors, tax advisers and/or legal advisers of recognized standing as the Issuer shall determine), materially prejudicial to the interests of the Noteholders or prior to the substitution, the substitution is approved by an Extraordinary Resolution of the Noteholders and (d) certain other conditions set out in the Trust Deed are complied with. Unless the Trustee agrees otherwise, the Issuer shall, upon a substitution pursuant to this Condition 12.3, give notice to the Noteholders in accordance with Condition 16.

Unless certain exceptions set forth in U.S. Treasury regulations apply, the substitution of another obligor in place of the Issuer (or of any previous substitute) as the principal debtor under the Notes will be considered for U.S. federal income tax purposes to be a deemed exchange of the Notes for new notes, resulting in recognition of a taxable gain or loss for U.S. federal income tax purposes and other possible adverse tax consequences.

12.4 Entitlement of the Trustee

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require on behalf of any Noteholder, nor shall any Noteholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, except to the extent provided for in Condition 8 and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

13 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes, but it need not take any such steps and/or actions and/or institute any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in aggregate principal amount of the Notes outstanding, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related (directly or indirectly) to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders on any report, confirmation or certificate from or any advice or opinion of any accountants, legal advisers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any

other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, advice or opinion and in such event, such report, confirmation, certificate, advice or opinion shall be binding on the Issuer and the Noteholders. The Trustee shall not be responsible or liable for any loss occasioned by acting on or refraining from acting on or in reliance on any such report, confirmation, certificate, advice or opinion.

Repatriation of proceeds outside India by the Issuer under an indemnity clause requires the prior approval of the RBI, which may not be forthcoming, in accordance with the extant applicable laws and regulations of India, including the rules and regulations framed under the Foreign Exchange Management Act, 1999.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Notes or upon such terms as the Issuer may determine at the time of their issue; provided, however, that the Issuer may not consolidate such further securities as a single series with the outstanding Notes unless such securities are fungible with the outstanding Notes for U.S. federal income tax purposes. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and consolidated and forming a single series with the Notes. Any further securities consolidated and forming a single series with the outstanding Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

16 Notices

Notices to Noteholders will be valid if published in a leading newspaper having general circulation in Asia (which is expected to be the *Straits Times*) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe or Asia selected by the Issuer. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

For an explanation regarding notices while the Notes are represented by Global Certificates, see "Summary of Provisions Relating to the Notes While in Global Form."

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but it does not affect any right or remedy of any person which exists or is available apart from that Act and is without prejudice to the rights of the Noteholders as set out in Condition 13.

18 Governing Law and Jurisdiction

18.1 Governing Law

The Trust Deed, the Agency Agreement and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

18.2 Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes and, accordingly, any legal action or proceedings arising out of or in connection with any Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of such courts.

18.3 Agent for Service of Process

The Issuer has irrevocably appointed in the Trust Deed an agent in England to receive service of process in any Proceedings in England based on any of the Notes.

GLOBAL CERTIFICATES

Each Global Certificate contains provisions which apply to the Notes in respect of which it is issued while they are represented by the relevant Global Certificate, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. The following is a summary of those provisions. Unless otherwise defined, terms defined in the Conditions have the same meaning below.

Form of the Notes

The Notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S (the "**Regulation S Notes**") will be represented by one or more global Regulation S certificates in fully registered form (the "**Regulation S Global Certificates**"). The Regulation S Global Certificates will be deposited with a custodian for and will be registered in the name of a nominee for DTC. Beneficial interests in the Regulation S Global Certificates may be held only through DTC and its direct or indirect participants including Euroclear and Clearstream at any time. See "*Clearance and Settlement — Payments and Relationship of Participants with Clearing Systems*". The Notes sold within the United States to QIBs in reliance on Rule 144A (the "**Rule 144A Notes**") will be represented by one or more global Rule 144A certificates in fully registered form (the "**Rule 144A Global Certificates**"), which will be deposited with a custodian for, and will be registered in the name of a nominee for, DTC. Beneficial interests in the Rule 144A Global Certificates may only be held through DTC and its direct or indirect participants including Euroclear and Clearstream at any time. See "*Clearance and Settlement — Payments and Relationship of Participants with Clearing Systems*". Subject to certain exceptions, beneficial interests in the Rule 144A Global Certificates may only be held by persons who are QIBs, holding their interests for their own account or for the account of one or more QIBs. By acquisition of a beneficial interest in the Rule 144A Global Certificates, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Rule 144A Global Certificates. See "*Transfer Restrictions*".

The Regulation S Global Certificates and the Rule 144A Global Certificates are referred to herein as the "**Global Certificates**". Beneficial interests in the Global Certificates will be subject to certain restrictions on transfer set out therein and in the Agency Agreement and the Regulation S Global Certificates and the Rule 144A Global Certificates will each bear a legend as set out under "*Transfer Restrictions*". Investors may hold interests in the Regulation S Global Certificates through Euroclear or Clearstream, if they are participants in those systems. Investors may also hold such interests through organizations other than Euroclear and Clearstream that are participants in the DTC system. Euroclear and Clearstream will hold interests in the Regulation S Global Certificates on behalf of their account holders through customers' securities accounts in their respective names on the books of their respective depositories, which in turn will hold such interests in the Regulation S Global Certificates in customers' securities accounts in the depositories' names on the books of DTC. Investors may hold their interests in the Rule 144A Global Certificates directly through DTC, if they are DTC participants, or indirectly through organizations which are DTC participants.

No beneficial interest in the Regulation S Global Certificates may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Certificate unless (i) the transfer is to a person that is a QIB, (ii) such transfer is made in reliance on Rule 144A, and (iii) the transferor provides the Registrar with a written certification substantially in the form set out in the Agency Agreement to the effect that the transferor reasonably believes that the transferee is a QIB purchasing the beneficial interest for its own account or any account of a QIB in a transaction meeting the requirements of Rule 144A and that such transaction is in accordance with any applicable securities laws of any state of the United States. No beneficial interest in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Certificates unless (a) the transfer is in an offshore transaction in reliance on Rule 904 of Regulation S, and (b) the transferor provides the Registrar with a written certification substantially in the form set out in the Agency Agreement to the effect that the transfer is being made in an offshore transaction in accordance with Regulation S.

Any beneficial interest in the Regulation S Global Certificates that is transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Certificates will, upon transfer, cease to be an interest in the Regulation S Global Certificates and become an interest in the Rule 144A Global Certificates, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Rule 144A Global Certificates for as long as it remains such an interest. Any beneficial interest in the Rule 144A Global Certificates that is transferred to a person who takes delivery in the form of an interest in the Regulation S Global Certificates will, upon transfer, cease to be an interest in the Rule 144A Global Certificates and become an interest in the Regulation S Global Certificates and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Certificates for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Upon receipt of the Global Certificates, DTC or the custodian will credit, on its internal system, the respective face amount of the individual beneficial interests represented by each such Global Certificate to the accounts of persons who have accounts with DTC. Ownership of beneficial interests in a Global Certificates will be limited to persons who have accounts with DTC or persons who hold interests through participants, including Euroclear and Clearstream. Ownership of beneficial interests in the Global Certificates will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants).

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

Holders

For all purposes, each person who is for the time being shown in the records of DTC (or any Alternative Clearing System (as defined below)) as the holder of a particular principal amount of Notes in respect of which the Global Certificates have been issued (in which regard any certificate or other document issued by DTC or any Alternative Clearing System as to the principal amount of Notes represented by Global Certificates standing to the account of any person shall be conclusive and binding for all purposes) shall be recognized as the holder of such principal amounts of Notes (and the expressions "**Noteholders**", "**holding of the Notes**" and "**holders of the Notes**" shall be construed accordingly).

Cancellation

Cancellation of any Note represented by a Global Certificate will be effected by reduction in the aggregate face amount of the Notes in the Register and by annotation of the appropriate schedule to that Global Certificate.

Payments

Payments of any amounts payable in respect of the Notes represented by a Global Certificate will be made without presentation or if no further payment falls to be made in respect of the Notes, against presentation and surrender of the relevant Global Certificate to or to the order of the Principal Paying Agent or to the order of such other Paying Agent as shall have been notified to the holders of Notes for such purpose.

Each payment will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except December 25 and January 1 and any day on which banks are required or permitted to be closed in the city of New York.

Redemption at the Option of the Issuer

The options provided for in Conditions 6.2 and 6.4 shall be exercised by the Issuer giving notice to the holders of the Notes and the Trustee and the Paying Agents within the time limits set out in and containing the information required by Conditions 6.2 and 6.4.

In the case of a partial redemption of Notes represented by the Global Certificates under Condition 6.2 or Condition 6.4, such Notes will be redeemed on a pro rata basis, unless otherwise required by law or applicable clearing system or stock exchange requirements.

Noteholders' Put Option

The Noteholders' put option provided for in Condition 6.3 may be exercised by the holder of the relevant Global Certificate giving notice of the principal amount of Notes in respect of which the put option is exercised in accordance with Condition 6.3.

Notices

So long as the Notes are represented by Global Certificates and the Global Certificates are held on behalf of DTC or any Alternative Clearing System, notices to holders of the Notes may be given by delivery of the relevant notice to DTC or such Alternative Clearing System for communication to entitled account holders in substitution for notification as required by the Conditions except that, so long as the Notes are listed on any stock exchange, notices shall also be published in accordance with the rules of such stock exchange. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which such notice is delivered to the relevant clearing systems.

Meetings

The registered holder of the Global Certificates will be treated as being two persons for the purposes of any quorum requirements of a meeting of holders of the Notes and, at any such meeting, as having one vote in respect of each U.S.$1,000 in principal amount of Notes for which the Global Certificates are issued.

Transfers

Transfers of book-entry interests in the Notes will be effected through the records of DTC (or any Alternative Clearing System) and their respective direct and indirect participants in accordance with the rules and procedures of DTC (or any Alternative Clearing System) and their respective direct and indirect participants.

Exchange for Definitive Certificates

Exchange

Registration of title to Notes initially represented by the Rule 144A Global Certificates in a name other than DTC or its nominee will not be permitted in respect of the Notes unless DTC or any additional or alternative clearing system approved by the Issuer and notified to the Trustee and the Principal Paying Agent and, as applicable, the Registrar (an "**Alternative Clearing System**") on behalf of which the Notes evidenced by the Rule 144A Global Certificates may be held, notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Notes, or ceases to be a clearing agency registered under the Exchange Act, or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, in the case of an Alternative Clearing System, such system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so).

Registration of title to Notes initially represented by the Regulation S Global Certificates in a name other than DTC will not be permitted in respect of the Notes unless DTC (or any Alternative Clearing System on behalf of which the Notes evidenced by the Regulation S Global Certificates may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Notes, or ceases to be a clearing agency registered under the Exchange Act, or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, in the case of an Alternative Clearing System, such system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so).

Delivery

If any of the events described in the above two paragraphs under the caption "Exchange" of this section occurs, the relevant Global Certificate shall be exchangeable in full for definitive Certificates in registered form and the Issuer will, at its own expense, cause sufficient definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholders following surrender of such Global Certificate. A person having an interest in the Rule 144A Global Certificates or the Regulation S Global Certificates must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such definitive Certificates and (b) in the case of the Rule 144A Global Certificates only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of a simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions.

Definitive Notes issued in exchange for a beneficial interest in the Rule 144A Global Certificates shall bear the legend applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*".

The Registrar will not register the transfer of, or exchange of interests in, the Rule 144A Global Certificates or the Regulation S Global Certificates for definitive Certificates for a period of 15 calendar days ending on the date for any payment of principal in respect of the Notes.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, own or dispose of Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser and does not purport to deal with the tax consequences applicable to all categories of investors (such as dealers in securities) some of whom may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India and each country of which they are residents or countries of purchase, holding or disposition of the Notes. Additionally, in view of the number of jurisdictions where local laws may apply, this Offering Circular does not discuss the local tax consequences to a potential holder, purchaser and seller arising from the acquisition, holding or disposition of the Notes. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of Notes at their place of ordinance, and the countries of which they are citizens or countries of purchase, holding or disposition of Notes.

Indian Taxation

The following is a summary of the existing principal Indian tax consequences for non-resident investors subscribing to the Notes. The summary is based on existing Indian taxation law and practice valid at the date of this Offering Circular and is subject to change, possibly with retroactive effect. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or disposal of the Notes. Prospective investors should, therefore, consult their own tax advisers regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes. This summary does not purport to provide tax advice to any entity.

Payments through India

Any payments our Company makes on the Notes, including additional amounts, made through India will be subject to the applicable regulations of the RBI.

Taxation of Interest

If the proceeds of the Notes are used for the purposes of the business of our Company in India, non-resident investors will be liable to pay tax on the interest paid on the Notes. Non-resident investors must pay tax on the interest at the rate of 5.0% (plus applicable surcharge, health and education cess) under Section 115A(1)(a) read with Section 194LC of the Income-tax Act on interest paid or payable on the Notes through India subject to relevant conditions specified in Section 194LC of the Income-tax Act read with CBDT Circular no. 15/2014 dated October 17, 2014. If the said conditions are not satisfied, tax would be levied at the rate of 20% (plus applicable surcharge, and health and education cess).

Recently, the Finance Act, 2020 has amended Section 194LC of Income Tax Act, so as to (a) extend the period of rate of withholding tax of 5.0% if the said conditions are not satisfied, tax would be levied at the rate of 20% (plus applicable surcharge, and health and education cess) on the interest payments against borrowing by way of issue of long-term bonds including infrastructure bonds from July 1, 2020 to June 30, 2023 (and which will include Notes); and (b) reduce the withholding tax to 4.0% if the said conditions are not satisfied, tax would be levied at the rate of 20% (plus applicable surcharge, and health and education cess) for interest payable to a non-resident on issue of any long term bonds or Rupee denominated bonds issued on or after April 1, 2020 but before July 1, 2023, which are listed only on a recognized stock exchange located in any IFSC. These changes have taken effect from April 1, 2020.

The rates of tax will stand reduced if the beneficial recipient is a resident of a country with which the Government has entered into an agreement for granting relief of tax or for avoidance of double taxation (a "**Tax Treaty**") and the provisions of such treaty read with Multilateral Instruments ("**MLI**") (if and to the extent applicable), which provide for the taxation in India of income by way of interest at a rate lower than that stated above, are fulfilled. The interest payable will be subject to withholding taxes in India, subject to conditions as detailed in the section titled "*Withholding Tax*" below.

A non-resident investor would be obligated to pay such income tax in an amount equal to, or would be entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes through India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the Income-tax Act. The non-resident Noteholders shall be obliged to provide all necessary information and documents, as may be required by our Company.

Withholding Tax

Since the interest payable on the Notes is subject to taxation in India, there is a requirement to withhold tax on such interest one Notes. Under Section 194LC of the Income-tax Act tax would be required to held at the rate of 5.0% (*plus* applicable surcharge, and health and education cess), subject to satisfaction of conditions specified in Section 194LC of the Income-tax Act read with CBDT Circular no. 15/2014 dated October 17, 2014. If such conditions are not satisfied tax would be required to be withheld at the rate of 20% (plus applicable surcharge, and health and education cess) These rates would be subject to any lower rate of tax provided by an applicable Tax Treaty read with MLI, if and to the extent applicable.

Pursuant to the Terms and Conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case, pursuant to Condition 8, our Company will pay additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions.

With respect to interest on the Notes that is not subject to taxes in India (where the proceeds of the issuance of the Notes are used for the purposes of business carried on by our Company outside India or otherwise), our Company may be required to apply annually for an exemption from withholding tax under section 195(2) of the Income-tax Act.

In respect of interest income on long term bonds issued to non-residents in accordance with section 194LC of the Income-tax Act, pursuant to Section 206AA of the Income-tax Act, the payee is not required to provide its permanent account number to the payer. Hence, the Noteholders being non-residents are not required to provide their permanent account number.

Taxation of Gains Arising on Disposition

Any gains arising to a non-resident investor from disposition of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from a disposition of the Notes held as a capital asset provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes, in terms of Section 9 of the IT Act. There is a possibility that the Indian tax authorities may treat the Notes as being located in India as our Company is incorporated in and resident in India.

If the Notes are regarded as situated in India by the Indian tax authorities, upon disposition of a Note, then:

(i) a non-resident investor, who has held the Notes for a period of more than 36 months (long-term capital asset) immediately preceding the date of their disposal, would be liable to pay capital gains tax at the rate of 10.0% of the capital gains (*plus* applicable surcharge, and health and education cess) in accordance with the provisions of the IT Act. These rates are subject to any benefit provided for by an applicable Tax Treaty read with MLI, if and to the extent applicable;

(ii) a non-resident investor who has held the Notes for 36 months or less would be liable to pay capital gains tax at a rate of 40.0% in the case of foreign companies and 30.0% in all other cases of capital gain (plus applicable surcharge, health and education cess). These rates are subject to any benefit provided for by an applicable Tax Treaty read with MLI, if and to the extent applicable; and

(iii) any income arising to a non-resident investor from the transfer of the Notes held as 'stock-in-trade' would be considered as business income. Business income would be subject to income tax in India only to the extent, it is attributable to a "business connection in India" or, in case where a Tax Treaty is applicable, to a "permanent establishment" of the non-resident investor in India. A non-resident investor would be liable to pay Indian tax on such income at a rate of up to 40.0% (*plus* applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the non-resident investor and his taxable income in India, subject to any benefit provided for by a Tax Treaty read with MLI, if and to the extent applicable.

If applicable, under the tax law, tax shall be withheld by the person making any payment to a non-resident on long-term capital gains at 10.0% (plus applicable surcharge, and health and education cess) and short-term capital gains at 30.0% or 40.0% (plus applicable surcharge, and health and education cess) and short-term capital gains at 30.0% or 40.0% (*plus* applicable surcharge, and health and education cess), depending on the legal status of the recipient of income, subject to any benefit provided for by a Tax Treaty read with MLI, if and to the extent applicable. Tax payable shall be computed in such manner as prescribed in this regard under the IT Act. For the purpose of tax withholding, the non-resident Noteholders shall be obliged to provide Permanent Account Number allotted by the tax authorities and/or all prescribed information/documents, including tax residency certificate (issued by the Tax Authorities of the country in which the investor is resident) for claiming the Tax Treaty benefits.

Potential investors should, in any event, consult their own tax advisers on the tax consequences of a transfer of the Notes

Anti-avoidance Provisions

Under the IT Act there are both specific as well as generic anti-avoidance provisions relating to tax like transfer pricing provisions and General Anti-Avoidance Rules ("**GAAR**").

Under the transfer pricing provisions, any income arising from an international transaction between two related parties have to be computed having regard to the arm's length price ("**ALP**"). In the event that the Notes are transferred by a non-resident investor to another non-resident investor and such non-resident investors are related parties in accordance with the provisions of the IT Act, then the transactions would have to be at ALP and necessary compliances are required to be undertaken by the investors.

GAAR provisions have been effective from fiscal year 2017-2018. Under the GAAR, an arrangement whose main purpose is to obtain tax benefits, may be declared as an "impermissible avoidance arrangement". According to Section 96(1) of the IT Act "impermissible avoidance arrangement" means an arrangement of which the main purpose is to obtain a tax benefit, and which, inter alia, creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length. Further, an arrangement is presumed, unless proved to the contrary by the taxpayer, to have been entered into, for the main purpose of obtaining a tax benefit.

If GAAR provisions are invoked, it could result in significant implications for the parties to the transaction including inter alia, disregarding, combining or re-characterisation of any step in or part or whole of the impermissible avoidance arrangement, denial of any tax benefit claimed by the taxpayer, or denial of benefit claimed by the non-resident under a Tax Treaty.

Wealth Tax

No wealth tax is payable in relation to the Notes.

Taxation of Persons Ordinarily Resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act may generally be subject to tax in India according to the personal tax rates applicable.

Estate Duty

No estate duty is payable at present in India in relation to the Notes.

Gift Tax

There is no gift tax payable in India in relation to the Notes.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought into India. Stamp duty would be payable if the Notes were brought into India for enforcement or for any other purpose. The amount of stamp duty payable would depend on the applicable stamp act of the Indian state(s) into which the Notes are brought and the duty will have to be paid within a period of three months from the date the Notes are first received in India.

Certain United States Federal Income Tax Considerations to U.S. Holders

The following discussion is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. The summary is limited to consequences relevant to a U.S. holder (as defined below), except for the discussion on FATCA (as defined under "— Foreign Account Tax Compliance Act"), and does not address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. This discussion is based upon the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder, and judicial and administrative interpretations thereof, each as of the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the U.S. Internal Revenue Service (the "**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a U.S. holder in light of such U.S. holder's particular circumstances, including the impact of the unearned income Medicare contribution tax or the alternative minimum tax, or to holders subject to special rules, such as certain financial institutions, United States expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. holders whose functional currency is not the U.S. dollar, U.S. holders who are subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement, tax-exempt entities, regulated investment companies, real estate investment trusts, partnerships or other pass through entities and investors in such entities and persons holding the Notes as part of a "straddle", "hedge", "conversion transaction" or other integrated transaction for U.S. federal income tax purposes. Moreover, this discussion does not address holders of our Senior Notes due 2022 whose Senior Notes due 2022 are subject

to the Tender Offer or the Redemption. Such holders should consult their tax advisors regarding the tax consequences of an investment in the Notes. In addition, this discussion is limited to persons who purchase the Notes for cash at original issue and at their "issue price" (the first price at which a substantial amount of the Notes is sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of Section 1221 of the Code.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation for U.S. federal income tax purposes created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. federal income tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partner and the partnership. An entity or arrangement treated as a partnership for U.S. federal income tax purposes that is considering an investment in the Notes, and partners in such a partnership, should consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of other federal, state, local, non-U.S. or other tax laws.

Characterization of the Notes

We are required to pay Additional Tax Amounts as described under "*Terms and Conditions of the Notes — Taxation*." In addition, in certain circumstances (see "*Terms and Conditions of the Notes — Redemption and Purchase — Redemption at the Option of the Issuer*" and "*Terms and Conditions of the Notes — Redemption and Purchase — Change of Control Put Option*"), we may be obligated to make certain other payments on the Notes in excess of stated principal and interest. We believe (and the rest of this discussion assumes) that the amount of Additional Tax Amounts we will be required to pay on the Notes will generally be constant throughout the term of the Notes and that there is only a remote possibility that we will be obligated to make any other additional payments. Accordingly, we do not currently intend to treat the Notes as contingent payment debt instruments. Assuming such position is respected, a U.S. holder would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes. Our position is binding on a holder, unless the holder discloses in the proper manner to the IRS that it is taking a different position. If the IRS successfully challenged this position, and the Notes were treated as contingent payment debt instruments, U.S. holders could be required to accrue interest income at a rate higher than their yield to maturity and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, retirement, redemption or other taxable disposition of a Note. This disclosure assumes that the Notes will not be considered contingent payment debt instruments. U.S. holders are urged to consult their tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Payments of Stated Interest

Payments of stated interest on the Notes (including any Additional Tax Amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be taxable to a U.S. holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss equal to the difference, if any, between the amount realized upon such disposition (less any amount equal to any accrued but unpaid stated interest, which will be taxable as stated interest income as discussed above to the extent not previously included in income by the U.S. holder) and such U.S. holder's adjusted tax basis in the Note. A U.S. holder's adjusted tax basis in a Note will, in general, be the cost of such Note to such U.S. holder.

Any gain or loss recognized upon the sale, exchange, retirement, redemption or other taxable disposition of a Note generally will be U.S. source capital gain or loss, and generally will be long-term capital gain or loss if the U.S. holder held the Note for more than one year on the date of disposition. Long-term capital gains of non-corporate U.S. holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Foreign Tax Credit

A U.S. holder may be able to claim a credit (or, at such holder's election, a deduction in lieu of such credit) with respect to any non-U.S. withholding taxes deducted from the payment of stated interest on the Notes in computing such holder's U.S. federal income tax liability. Stated interest income on a Note (including any additional amounts paid in respect of withholding taxes at the rate applicable to such U.S. holder) generally will constitute foreign source income and generally will be considered "passive category income" for purposes of computing the foreign tax credit. There are significant complex limitations on a U.S. holder's ability to claim foreign tax credits. Further, as gains on the disposition of a Note generally will be treated as U.S. source, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon such gain may be limited. U.S. holders are urged to consult their tax advisors regarding the tax consequences if a non-U.S. tax is imposed on a disposition of our notes, including the availability of the foreign tax credit under their particular circumstances. U.S. holders should consult their tax advisors regarding the creditability or deductibility of any withholding taxes.

Substitution of the Issuer

Unless certain exceptions set forth in U.S. Treasury regulations apply, the substitution of another obligor in place of the Issuer (or of any previous substitute) as the principal debtor under the Notes, as described in "*Terms and Conditions of the Notes — Meetings of Noteholders, Modification, Waiver and Substitution — Substitution*" will be considered for U.S. federal income tax purposes to be a deemed exchange of the Notes for new notes, which may result in recognition of taxable gain or loss for U.S. federal income tax purposes and other possible adverse tax consequences. U.S. holders should consult their tax advisers regarding the tax consequences of any assumption of the Issuer's obligations under the Notes.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to payments of stated interest on the Notes and to the proceeds of the sale, exchange, retirement, redemption or other taxable disposition of a Note paid to a U.S. holder unless such U.S. holder properly establishes that it is a corporation or other exempt recipient. Backup withholding may apply to such payments if the U.S. holder fails to provide a taxpayer identification number or a certification that it is not subject to backup withholding.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Individuals that own "specified foreign financial assets" (which includes debt of non-U.S. entities) with an aggregate value in excess of certain thresholds at any time during the tax year generally are required to file an information report (IRS Form 8938) with respect to such assets with their tax returns. The Notes

generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Notes are held in an account at certain financial institutions. Under certain circumstances, an entity may be treated as an individual for purposes of these rules.

U.S. holders are urged to consult their tax advisors regarding the application of the foregoing disclosure requirements to their ownership of the Notes, including the significant penalties for non-compliance.

Foreign Account Tax Compliance Act

Pursuant to Section 1471 through 1474 of the Code (provisions commonly known as "**FATCA**"), a "foreign financial institution" may be required to withhold U.S. tax on "passthru payments" made under certain debt instruments on or after the date that is two years after the date of publication in the U.S. Federal Register of applicable final regulations defining foreign passthru payments, to the extent such payments are treated as attributable to certain U.S. source payments. Under proposed regulations, any withholding on foreign passthru payments on Notes that are not otherwise grandfathered would apply to passthru payments made on or after the date that is two years after the date of publication in the U.S. Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued. Even if our Company is treated as a foreign financial institution, Notes issued on or prior to the date that is six months after the date on which applicable final regulations are filed generally would be "grandfathered" from FATCA unless materially modified after such date. Non-U.S. governments, including India, have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein.

Holders should consult their tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that our Company believes to be reliable, but none of our Company, the Joint Bookrunners and Joint Lead Managers, the Trustee or the Agents takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of our Company and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry Ownership

The Notes will be evidenced on issue by the Regulation S Global Certificates (registered in the name of a nominee of, and shall be deposited with a custodian for, DTC for the accounts of Euroclear and Clearstream) and the Rule 144A Global Certificates (registered in the name of a nominee of, and shall be deposited with a custodian for, DTC).

The Issuer, and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant, will make application to DTC for acceptance in its book-entry settlement system of the Notes represented by the Regulation S Global Certificates and the Rule 144A Global Certificates. The Issuer will also make application to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by the Regulation S Global Certificates. The Regulation S Global Certificates and Rule 144A Global Certificates will each have a CUSIP, an ISIN and a Common Code. The Regulation S Global Certificates and the Rule 144A Global Certificates will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificates, as set out under "*Transfer Restrictions*". In certain circumstances, as described below, transfers of interests in the Rule 144A Global Certificates may be made as a result of which such legend may no longer be required.

Upon the Global Certificates being registered in the name of a nominee of, and deposited with a custodian for, DTC, DTC will electronically record the nominal amount of the Notes held within the DTC system. Investors may hold their beneficial interests in the Global Certificates directly through DTC if they are participants in the DTC system, or indirectly through organizations (including Euroclear and Clearstream) which are participants in such system (together, such direct and indirect participants of DTC are referred to as "DTC participants"). All interests in the Global Certificates, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such system.

Payments and Relationship of Participants with Clearing Systems

Payment of the principal of interest and premium, if any, on each Global Certificate requested in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Global Certificate. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, DTC or its nominee will immediately credit the relevant participants' or account holders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the face amount of the relevant Global Certificate as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in a Global Certificate held through such DTC participants will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Trustee will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer or any Agent shall have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Transfer of Notes

Transfers of interests in the Global Certificates within Euroclear, Clearstream and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in the Rule 144A Global Certificates to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the Rule 144A Global Certificates to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in the Regulation S Global Certificates may only be held through Euroclear or Clearstream. In the case of Notes to be cleared through Euroclear, Clearstream and/or DTC, transfers may be made at any time by a holder of an interest in the Regulation S Global Certificates to a transferee who wishes to take delivery of such interest through the Rule 144A Global Certificates, provided that any such transfer will, subject to the applicable procedures of Euroclear, Clearstream and/or DTC from time to time, only be made upon receipt by any transfer agent of a written certificate from Euroclear or Clearstream, as the case may be, (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person that the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A purchasing the Notes for its own account or any account of a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Notes represented by such Regulation S Global Certificates will only be made upon request through Euroclear or Clearstream by the holder of an interest in the Regulation S Global Certificates to the other agent of details of that account at DTC to be credited with the relevant interest in the Rule 144A Global Certificates.

Transfers at any time by a holder of any interest in the Rule 144A Global Certificates to a transferee who takes delivery of such interest through the Regulation S Global Certificates will, subject to the applicable procedures of Euroclear, Clearstream and/or DTC from time to time, only be made upon delivery to any transfer agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Certificate.

Subject to compliance with the transfer restrictions applicable to the Notes described above and under "*Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream account holders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the custodian of the Global Certificates, the Registrar and the Paying Agent. On or after the Closing Date, transfers of Notes between account holders in Euroclear and/or Clearstream and transfers of Notes between participants in DTC will generally have a settlement date two business days after the trade date (T+2). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between account holders in Euroclear or Clearstream and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, on the other, transfers of interests between the Global Certificates will be effected through the Paying Agent, the custodian of the Global Certificates, the Registrar and any transfer agent receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) two business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Paying Agent or the Registrars as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream account holders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free-delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of the Notes, see "*Transfer Restrictions*". DTC will take any action permitted to be taken by a holder of Notes only at the direction of one or more DTC participants in whose accounts with DTC interests in the Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Global Certificate as to which such DTC participant or participants has or have given such direction. However, the custodian of the Global Certificates will surrender the relevant Global Certificate for exchange for individual definitive notes in certain limited circumstances.

DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerized book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of notes. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly ("indirect participants"). Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. In addition, beneficial owners of Notes in DTC will receive all distributions of principal of and interest on the Notes from the Issuer through such DTC participant.

Although Euroclear, Clearstream and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and account holders of Euroclear, Clearstream and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Trustee or any Agent will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations. While the Global Certificates are lodged with DTC, Notes represented by individual definitive notes will not be eligible for clearing or settlement through Euroclear, Clearstream or DTC.

Individual Definitive Notes

Registration of title to Notes in a name other than a custodian or its nominee for DTC will be permitted only in the circumstances set forth in "*Global Certificates — Exchange for Definitive Certificates*". In such circumstances, the Issuer will cause sufficient individual definitive notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Note holder(s). A person having an interest in a Global Certificate must provide the Registrar with certain information as specified in the Agency Agreement.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the Closing Date, which will be more than two business days following the date of pricing. Under Rule 15c6-1 of the U.S. Exchange Act, trades in the U.S. secondary market generally are required to settle within two business days (referred to as "T+2") unless the parties to any such trade expressly agree otherwise. Accordingly, since the Closing Date will be more than two business days following the date of pricing, purchasers who wish to trade the Notes in the U.S. between the date of pricing and the date that is two business days prior to the Closing Date will be required, by virtue of the fact that such Notes initially will settle beyond T+2, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices. Purchasers of Notes who wish to trade Notes between the date of pricing and the date that is two business days prior to the Closing Date should consult their own adviser.

SUBSCRIPTION AND SALE

Each of the Joint Bookrunners has, pursuant to the Subscription Agreement dated January 26, 2021 entered into with our Company (the "**Subscription Agreement**"), severally agreed, subject to the provisions of the Subscription Agreement, to subscribe for, or to procure subscribers for, the respective principal amount of Notes set out opposite its name below:

Joint Bookrunners	**Principal Amount of Notes**
	(U.S.$)
Barclays Bank PLC	57,000,000
Citigroup Global Markets Limited	56,000,000
DBS Bank Ltd.	54,000,000
Emirates NBD Bank PJSC	54,000,000
J.P. Morgan Securities plc	56,000,000
Merrill Lynch (Singapore) Pte. Ltd.	56,000,000
Mizuho Securities (Singapore) Pte. Ltd.	54,000,000
MUFG Securities Asia Limited Singapore Branch	56,000,000
Standard Chartered Bank	57,000,000
Total	**500,000,000**

The Joint Bookrunners initially propose to offer the Notes at the issue price listed on the cover page of this Offering Circular. Our Company will be paying a combined management and underwriting commission and selling commission to the Joint Bookrunners and will reimburse the Joint Bookrunners in respect of certain of their expenses. Our Company has also agreed to indemnify the Joint Bookrunners against certain liabilities incurred in connection with the issue and sale of the Notes. The Subscription Agreement provides that the obligations of the Joint Bookrunners are subject to certain conditions precedent and that the agreement may be terminated in certain circumstances prior to payment of the issue price to our Company.

The Joint Bookrunners have severally agreed to take and pay for all of the Notes if a certain portion of the Notes are taken. After the initial offering, the offering price and other selling terms may be varied from time to time by the Joint Bookrunners.

The Joint Bookrunners and some of their respective affiliates have, from time to time, performed, and may in the future perform, certain commercial banking, investment banking and advisory and other banking services for our Company and/or our Company's affiliates for which they have received or will receive customary fees and expenses.

The Joint Bookrunners and their respective affiliates are full-service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of our Company, including the Notes.

The Joint Bookrunners or their affiliates that have a lending relationship with our Company routinely hedge their credit exposure to our Company consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our Company's securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Bookrunners and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of our Company, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

The Joint Bookrunners and/or their respective affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of our Company or our Company's Subsidiaries, joint ventures or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Each Joint Bookrunner or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisers. While each Joint Bookrunner and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Joint Bookrunner or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Joint Bookrunner may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

If a jurisdiction requires that this offering be made by a licensed broker or dealer and the Joint Bookrunners or any affiliate of the Joint Bookrunners is a licensed broker or dealer in that jurisdiction, this offering shall be deemed to be made by the Joint Bookrunners or such affiliate on behalf of our Company in such jurisdiction.

We expect that delivery of the Notes will be made against payment therefore on or about the closing date specified on the cover page of this Offering Circular, which will be on or about the fourth business day following the pricing date of the Notes (this settlement cycle being referred to as "**T+**"). Trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes between the date of pricing and the date that is two business days prior to the Closing Date will be required, by virtue of the fact that the Notes initially will settle in T+, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes between the date of pricing and the date that is two business days prior to the Closing Date should consult their own legal advisors.

Neither our Company nor any person acting on its behalf will issue, sell, offer or agree to sell, grant any option for the sale of, or otherwise dispose of, any other non-Rupee denominated debt securities of our Company or securities of our Company that are convertible into, or exchangeable for, the Notes or such other non-Rupee denominated debt securities, in any such case without the prior written consent of the Joint Bookrunners from the date of the Subscription Agreement until 30 days after the Closing Date (both dates inclusive).

Selling Restrictions

Singapore

Each Joint Bookrunner has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular to any retail investor in the United Kingdom. For the purposes of this provision,

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA[2]"); or

  (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

United Kingdom

Each Joint Bookrunner has represented, warranted and agreed that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the **FSMA**) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to our Company; and (b) it has complied, and will comply, with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Joint Bookrunner has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Joint Bookrunner has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S. See "*Transfer Restrictions*" for a description of other restrictions on the transfer of Notes.

The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S. The Subscription Agreement provides that the Joint Bookrunners may, directly or through their respective U.S. broker-dealer affiliates, arrange for the offer and resale of the Notes within the United States only to qualified institutional buyers in accordance with Rule 144A. Resales of the Notes are restricted as described under "*Transfer Restrictions*".

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

As used herein, the term "United States" has the meaning given to it in Regulation S.

India

This Offering Circular has not been, nor will it be, filed, produced or published as an offer document (whether as a prospectus or a statement in lieu of a prospectus in respect of a public offer or an information memorandum or a private placement offer cum application letter or any other offering material in respect of any private placement in accordance with the Companies Act or any other applicable Indian laws for the time being in force) with the RoC, the SEBI, the RBI, any Indian stock exchanges or any other regulatory or statutory body of like nature in India save and except for any information from any part of this Offering Circular which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the SEBI LODR Regulations or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India.

Further, the Notes will not be offered or sold, and have not been offered or sold, in India by means of any document, whether as a principal or agent nor have the Joint Bookrunners circulated or distributed, nor will they circulate or distribute, this Offering Circular or any other offering document or material relating to the Notes, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India. The Notes have not been offered or sold, and will not be offered or sold to any person, in India, including in circumstances which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities (whether to the public or by way of private placement) within the meaning of the Companies Act, 2013, and the rules framed thereunder, each as amended, or any other applicable Indian laws for the time being in force. The acquisition of these Notes by Indian residents may be prohibited under the FEMA and the rules and regulations thereunder.

The Notes are only being issued and sold in compliance with requirements specified by the Reserve Bank of India from time to time in relation to external commercial borrowings by Indian entities (including those set out under the ECB Guidelines) only to (i) a person who is a resident of a FATF compliant jurisdiction or an IOSCO compliant jurisdiction or (ii) multilateral and regional financial institutions where India is a member country and are not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling the Notes. Further, this Offering Circular or any material relating to the Notes has not been and will not be circulated or distributed to any prospective investor who is not a resident of an FATF compliant jurisdiction or an IOSCO compliant jurisdiction, and the Notes will not be offered or sold or transferred and have not been offered or sold or transferred to any person who is not a resident of an FATF compliant jurisdiction or an IOSCO compliant jurisdiction. This Offering Circular or any other material relating to the Notes has not been and will not be circulated or distributed to any prospective investor which is an offshore branch or a subsidiary of an Indian bank. The Notes are not being issued and will not be sold to any prospective investor which is an offshore branch or a subsidiary of an Indian bank.

For the purposes of this section, the terms "**ECB Guidelines**", "**FATF compliant jurisdiction**" and "**IOSCO compliant jurisdiction**" shall have the following meaning:

"**ECB Guidelines**" — the Foreign Exchange Management Act, 1999, as amended or the rules and regulations issued thereunder, including the Foreign Exchange Management (Borrowing or Lending) Regulations, 2018, as amended, and the rules, regulations, circulars or notifications issued by the RBI in connection with external commercial borrowings by Indian companies, including the Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended, the circular on External Commercial Borrowings (ECB) Policy – Rationalization of End-use Provisions dated July 30, 2019 and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, as amended.

"**FATF compliant jurisdiction**" — a country that is a member of Financial Action Task Force ("**FATF**") or a member of an FATF-style regional body; and should not be a country identified in the public statement of the FATF as (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

"**IOSCO compliant jurisdiction**" — a country whose securities market regulator is a signatory to the International Organization of Securities Commission's ("**IOSCO's**") Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India for information sharing arrangements.

TRANSFER RESTRICTIONS

As the following restrictions will apply to the Notes, investors should consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only:

- to "qualified institutional buyers" in compliance with Rule 144A, and
- outside the United States to non-U.S. persons in offshore transactions, in reliance upon Regulation S.

Rule 144A Notes

Each purchaser of the Notes within the United States pursuant to Rule 144A, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

- It is (a) a qualified institutional buyer within the meaning of Rule 144A (a "**QIB**"), (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
- It understands and acknowledges that the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.
- It understands that such Notes, unless otherwise agreed between our Company and the Trustee in accordance with applicable law, will bear a legend to the following effect:

  "THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE. THE HOLDER OF THIS NOTE WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE OF THE RESALE RESTRICTIONS REFERRED TO ABOVE."

- Our Company, the Registrar, the Joint Bookrunners and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

- It understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Certificates. Before any interest in the Rule 144A Global Certificates may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Certificates, it will be required to provide the Registrar with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of the Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Offering Circular and the Notes, will be deemed to have represented, agreed and acknowledged that:

- It is, or at the time such Notes are purchased will be, the beneficial owner of such Notes and (a) it is purchasing the Notes in an offshore transaction (within the meaning of Regulation S), (b) it is not a U.S. person (within the meaning of Regulation S) and it is located outside the United States and will continue to be located outside the United States at the time the buy order is originated and (c) it is not an affiliate of our Company or a person acting on behalf of such an affiliate.

- It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

- Our Company, the Registrar, the Joint Bookrunners and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

- It understands that the Notes offered in reliance on Regulation S will be represented by the Regulation S Global Certificates. Prior to the expiration of the distribution compliance period, before any interest in the Regulation S Global Certificates may be offered, sold, pledged or otherwise transferred to a U.S. person or a person located in the United States or a person who takes delivery in the form of an interest in the Rule 144A Global Certificates, it will be required to provide the Registrar with a written certification (in the form provided in the Agency Agreement) to the effect that the transferee is a "qualified institutional buyer" (as defined in Rule 144A) and as to compliance with applicable securities laws.

- It understands that such Notes will, unless otherwise agreed between the Company and the Trustee in accordance with applicable law, will bear a legend to the following effect:

  "THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, FOR THE ACCOUNT OR BENEFIT OF, ANY UNITED STATES PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT."

LEGAL MATTERS

Latham & Watkins LLP will pass upon certain legal matters in connection with this offering for our Company with respect to U.S. federal and English law. Linklaters will pass upon certain legal matters in connection with this offering for the Joint Bookrunners with respect to U.S. Federal and English law.

Matters of Indian law will be passed upon for our Company by Cyril Amarchand Mangaldas, and for the Joint Bookrunners by L&L Partners.

INDEPENDENT ACCOUNTANTS

M/s Deloitte Haskins & Sells LLP, the Auditors of our Company, have audited our Audited Consolidated Financial Statements for Fiscal Years 2020, 2019 and 2018 and have performed a limited review on our Unaudited Interim Consolidated Financial Results as of and for the six months ended September 30, 2020 in accordance with SRE 2410 issued by the ICAI. Our Audited Consolidated Financial Statements and Unaudited Interim Consolidated Financial Results each are included in this Offering Circular.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN IND AS AND IFRS

*The consolidated financial statements for Fiscal Years 2018, 2019 and 2020 of our Company and its subsidiaries and jointly controlled entities and associates (collectively, the Audited Consolidated Financial Statements) have been prepared in accordance with the Indian Accounting Standards ("**Ind AS**") as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India. The Interim consolidated financial information as at and for the six months ended September 30, 2020 of our Company and its subsidiaries and jointly controlled entities and associates (Q2 2020 Unaudited Interim Consolidated Financial Results) have been compiled by the Company in the manner and format required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI LODR Regulations**"). Certain differences exist between IFRS and Ind AS which might be material to the Audited Financial Statements and Unaudited Interim Consolidated Financial Results herein.*

*The areas in which differences between IFRS and Ind AS could be significant to the consolidated financial position and consolidated results of operations of our Company and its subsidiaries and jointly controlled entities and associates are summarized below. IFRS being the exhaustive sets of standards, rules and interpretations issued by the International Accounting Standards Board ("**IASB**"), no assurance can be given that the differences listed below cover all possible differences.*

Further, no attempt has been made to identify differences between Ind AS and IFRS as a result of prescribed changes in accounting standards that are effective in future periods. Regulatory bodies that promulgate Ind AS and IFRS have significant projects ongoing that could affect future comparisons such as this one.

Potential investors should consult their own advisers for an understanding of the principal differences between Ind AS and IFRS, and how these differences might affect the financial statements appearing in this Offering Circular.

Summary of Certain Differences

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind AS
1.	Primary requirement	IAS 1 sets out the requirements for presentation of financial statements and the guidelines for their structure and content.	The requirements for the presentation of financial statements are set out in Ind AS 1 and Schedule III to the Companies Act, 2013.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind AS
2.	Statements of comprehensive income/ Statement of profit and loss	With regard to preparation of statement of profit and loss, IFRS provides an option either to follow the single statement approach or to follow the two statement approach. An entity may present a single statement of profit or loss and other comprehensive income; or It may present the profit or loss section in a separate 'statement of profit or loss' which shall immediately precede the 'statement of comprehensive income'.	Ind AS 1 allows only the single statement approach and does not permit the two statements approach.
3.	Analysis of expenses in the statement of profit and loss	IAS 1 requires an entity to present an analysis of expenses recognized in profit or loss using a classification based on either their nature or their function within the entity, whichever provides the information that is reliable and more relevant.	Ind AS 1 and Schedule III to the Companies Act, 2013 requires entities to present an analysis of expenses recognized in profit or loss using a classification based on their nature only. There is no option to use functional classification for presentation of expenses.
4.	Materiality and aggregation	IAS 1 requires: • each material class of similar items to be presented separately in the financial statements; and • items of a dissimilar nature or function to be presented separately unless they are immaterial Also, IAS 1 states that specific disclosure need not be provided if the same is considered immaterial.	Ind AS 1 modifies these requirement by adding the words 'except when required by law.' Hence, if the applicable law requires separate presentation/disclosure of certain items, they are presented separately irrespective of materiality.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind AS
5.	Current/non-current classification on breach of debt covenant	If an entity breaches a provision of a long-term loan arrangement on or before the period end with the effect that the liability becoming payable on demand, the loan is classified as current liability. This is the case even if the lender has agreed, after the period end and before the authorization of the financial statements for issue, not to demand payment as a consequence of the breach. Such waivers granted by the lender or rectification of a breach after the end of the reporting period are considered as non-adjusting event and disclosed.	Ind AS 1 refers to breach of material provision, instead of any provision. This indicates that breach of immaterial provision may not impact loan classification. Further, under Ind AS 1, waivers granted by the lender between the end of the reporting period and the date of approval of financial statements for issue are treated as adjusting event. A corresponding change has also been made in Ind AS 10.
6.	Applicability of EPS	IAS 33 applies only to an entity whose ordinary shares or potential ordinary shares are traded in a public market or that files, or is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing ordinary shares in a public market.	This scope requirement has been deleted in the Ind AS the applicability or exemptions is governed by Companies Act, 2013 and the rules made thereunder. Since there is no exemption from disclosing EPS under the Companies Act, all companies covered under Ind AS need to disclose EPS.
7.	Presentation of EPS in separate financial statements	IAS 33 provides that when an entity presents both consolidated financial statements (CFS) and separate financial statements (SFS), it may give EPS related information in CFS only.	Ind AS 33 requires EPS related information to be disclosed both in CFS and SFS. In CFS, such disclosures will be based on consolidated information. In SFS, such disclosures will be based on information given in the SFS.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind AS
First-time Adoption			
8.	Deemed cost exemption for property, plant and equipment	IFRS 1 permits a first-time adopter to measure its items of property, plant and equipment (PPE) at deemed cost at the transition date. The deemed cost can be: • the fair value of the item at the date of transition; or • a previous GAAP revaluation at or before transition date, if revaluation met certain criteria. Similar exemption is also available for intangible assets (if active market exists) at cost.	Ind AS 101 also provides similar deemed cost exemption. In addition, if there is no change in the functional currency at the transition date, Ind AS 101 allows a first-time adopter to continue with the Previous GAAP carrying value for all of its property, plant and equipment as recognized in the previous GAAP financial statements at the transition date. The same is used as deemed cost at that date, after making adjustment relating to decommissioning liabilities. If an entity avails this option, no further adjustments to the deemed cost so determined is made. Similar exemption is also available for intangible assets.
9.	Additional exemptions relating to composite leases and land lease	Under IFRS 1, an entity classifies a lease based on the lease terms that are in force at its date of transition based on the circumstances that existed at the inception of the lease. No exemption is available for classification of composite leases.	Ind AS 101 provides the following additional exemptions: • When a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or operating lease at the date of transition to Ind AS based on the facts and circumstances existing as at that date. • If there is any land lease classified as finance lease at the transition date, which was classified differently under previous GAAP, then the first time adopter may recognize asset and liability at fair values on that date. Any difference between those fair values is recognized in retained earnings.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind AS
10.	Exchange differences arising on long-term monetary items	IAS 21 requires exchange differences arising on restatement of foreign currency monetary items, both long term and short term, to be recognized in the income statement for the period.	Under the current Ind AS, companies recognize exchange differences arising on restatement of foreign currency monetary items, both long term and short term, in the profit or loss immediately. Alternatively, they are given an irrevocable option to defer/capitalize exchange differences on long-term foreign currency monetary items. For the companies applying second option under Ind AS, Ind AS 101 provides an additional option. They may continue to account for exchange differences arising on long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of first Ind AS reporting period using the previous GAAP accounting policy. Ind AS 21 does not apply to exchange differences arising on such outstanding long term foreign currency monetary items. However, for any new long term foreign currency monetary items recognized on or after beginning of first Ind AS reporting period, companies will be required to apply principles of Ind AS 21.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind AS
Leases			
11.	Classification and presentation	IFRS 16, Lessees applies a single recognition and measurement approach for all leases, with options not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Balance Sheet — present right-of-use assets separately from other assets. Lease liabilities are also presented separately from other liabilities. Statement of profit or loss — present interest expense on the lease liability separately from the depreciation charge for the right-of-use asset. Interest expense on the lease liability is a component of finance costs, which paragraph 82(b) of Ind AS 1 Presentation of Financial Statements requires to be presented separately in the statement of profit or loss. Cash flow statement — For non-financial entities, classify cash payments for the principal portion of the lease liability within financing activities; cash payments for the interest portion of the lease liability as per the requirements of IAS 7 Statement of Cash Flows; and short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	For periods up to March 31, 2019: Lessees apply a dual recognition and measurement approach for all leases. Lessees classify a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Otherwise a lease is classified as an operating lease. Ind AS 17 does not deal with Presentation in the balance sheet. In the case of Statement of profit or loss — operating lease expense is presented as a single item. Cash flow statement-for operating leases, cash payments are included within operating activities. The presentation of finance leases is similar to IFRS 16. For periods beginning on or after April 1, 2019: Ind AS 116 — Leases has been notified to be applicable for periods beginning on or after April 1, 2019 and there are no major differences between IFRS 16 and Ind AS 116.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind AS
Business Combinations			
12.	Common control business combinations	IFRS 3 excludes from its scope business combinations of entities under common control.	Ind AS 103 requires business combinations of entities or businesses under common control to be mandatorily accounted using the pooling of method. The application of this method requires the following: (i) The assets and liabilities of the combining entities are reflected at their carrying amounts. (ii) No adjustments are made to reflect fair values, or recognize any new assets or liabilities. (iii) The only adjustments that are made are to harmonize the accounting policies. The financial information in respect of prior periods have to be restated as if the business combination had occurred from the beginning of the earliest period presented, irrespective of the actual date of the combination. (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee; alternatively, it is transferred to general reserves, if any. (v) The identity of the reserves is preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. (vi) The difference between the amount recorded as share capital issued plus any additional consideration in cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind AS
13.	Bargain purchase gains	Where consideration transferred for business acquisition is lower than the acquisition date fair value of net assets acquired, the gain is recognized in the income statement after a detailed reassessment.	Ind AS 103 requires bargain purchase gain to be recognized in OCI and accumulated in the equity as capital reserve. However, if there is no clear evidence for the underlying reason for bargain purchase, the gain is directly recognized in equity as capital reserve, without routing the same through OCI. A similar change has also been made with regard to bargain purchase gain arising on investment in associate/JV, accounted for using the acquisition method.
Revenue			
14.	Disclosure of reconciliation between revenue and contracted price	IFRS 15 requires extensive qualitative and quantitative disclosures including those on disaggregated revenue, reconciliation of contract balances, performance obligations and significant judgments.	Ind AS 115 contains all the disclosure requirement in IFRS 15. In addition, Ind AS 115 requires presentation of a reconciliation between the amount of revenue recognized in statement of profit or loss and the contracted price showing separately adjustments made to the contracted price, for example, on account of discounts, rebates, refunds, price concessions, incentives, bonus, etc. specifying the nature and amount of each such adjustment separately.
Borrowing Cost			
15.	Exchange differences regarded as adjustment to interest costs	In accordance with IAS 23, borrowing cost includes exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. However, it does not provide any specific guidance on measurement of such amounts.	Ind AS 23 is similar to IAS 23. However, Ind AS 23 provides following additional guidance on manner of arriving at this adjustment: The adjustment should be of an amount equivalent to the extent to which the exchange loss does not exceed the difference between the costs of borrowing in functional currency when compared to the costs of borrowing in a foreign currency. If there is an unrealized exchange loss which is treated as an adjustment to interest and subsequently there is a realized or unrealized gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognized as an adjustment should also be recognized as an adjustment to interest.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind AS
Related Party Disclosures			
16.	Aggregation of transactions for disclosure	IFRS does not provide any guidance on the aggregation of transaction for disclosure.	Ind AS 24 provides an additional guidance whereby items of similar nature may be disclosed in aggregate by type of related party. However, this is not done in such a way as to obscure the importance of significant transactions. Hence, purchases or sales of goods are not aggregated with purchases or sales of fixed assets. Nor a material related party transaction with an individual party is clubbed in an aggregated disclosure.
Cash Flow Statement			
17.	Classification of interest paid and interest and dividend received	For non-financial entities, interest paid and interest and dividends received may be classified as 'operating activities'. Alternatively, interest paid and interest and dividends received may be classified as 'financing activities' and 'investing activities' respectively.	Ind AS 7 does not give an option It requires non-financial entities to classify interest paid as part of 'financing activities' and interest and dividend received as 'investing activities'.
Separate Financial Statements			
18.	Use of equity method to account for investments in subsidiaries, joint ventures and associates in SFS	IAS 27 allows an entity to use the equity method to account for its investments in subsidiaries, joint ventures and associates in its SFS. Consequently, an entity is permitted to account for these investments either: • at cost; • in accordance with IFRS 9; or • using the equity method This is an accounting policy choice for each category of investment.	Ind AS 27 does not allow the use of equity method to account for investments in subsidiaries, joint ventures and associates in SFS. The reason for the same that Ind AS considers equity method to be a manner of consolidation rather than a measurement basis.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind AS
19.	Definition of close members of the family of a person	As per IAS 24, "close members of the family" of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity. They may include: the person's spouse or domestic partner and children; children of the person's spouse or domestic partner; and dependents of the person or the person's spouse or domestic partner.	Definition "close members of the family" under Ind AS 24 is similar. In addition to relations prescribed under IFRS, it includes brother, sister, father and mother in sub-paragraph (a).

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INDEPENDENT AUDITOR'S REPORT
To The Members of Adani Ports and Special Economic Zone Limited
Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Adani Ports and Special Economic Zone Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes Group's share of profit in its joint ventures, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the

reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint venture referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

(i) Note 42 to the consolidated Ind AS financial statements which describes the management's basis for recoverability of accrued revenue and the related project assets costs in earlier years based on a preliminary agreement entered into by the Parent with a customer in respect of a project being undertaken, pending execution of definitive agreement between the parties.

(ii) Note 43(b) to the consolidated Ind AS financial statements which describe the key sources of estimation uncertainties as at 31st March, 2018 relating to the recoverability of the carrying amount of Intangible Assets amounting to ₹3,788.9 Million in case of Adani Murmugao Port Terminal Private Limited and ₹8,745.7 Million in case of Adani Kandla Bulk Terminal Private Limited, subsidiaries of the Parent.

Our opinion is not modified in respect of these matters.

Other Matters

a. We did not audit the Ind AS financial statements of 24 subsidiaries included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of ₹126,785.3 Million as at 31st March, 2018, total revenues of ₹28,652.0 Million and net cash outflows amounting to ₹341.9 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹233.9 Million for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

b. Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint venture company incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and its joint venture companies incorporated in India is disqualified as on 31st March, 2018 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiaries and Joint Venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reason stated therein.

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.

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

/s/ Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 03, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph (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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Adani Ports and Special Economic Zone Limited (hereinafter referred to as "Parent"), its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls
The respective Board of Directors of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls over financial reporting of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, 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 and the audit evidence obtained by auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India.

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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters
Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 21 subsidiary companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 03, 2018

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Balance Sheet as at March 31, 2018

₹ in Million

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	**184,440.6**	166,628.2
Capital Work-in-Progress	3	**45,454.6**	45,139.7
Goodwill	3	**26,671.3**	26,703.9
Other Intangible Assets	3	**15,588.2**	17,202.9
Financial Assets		**-**	-
(i) Investments	4	**5,591.4**	2,252.0
(ii) Investments accounted using Equity Method	4	**-**	271.3
(iii) Trade Receivables	5	**21.4**	136.3
(iv) Loans	6	**28.0**	-
(v) Loans to Joint Venture Entities	6	**11,930.6**	7,593.2
(vi) Other Financial Assets	7	**14,548.7**	8,407.9
Deferred Tax Assets (net)	26	**13,105.4**	19,915.6
Other Non-Current Assets	8	**13,470.8**	22,525.6
		330,851.0	316,776.6
Current Assets			
Inventories	9	**5,202.9**	6,570.9
Financial Assets			
(i) Investments	10	**5,197.8**	9,090.3
(ii) Trade Receivables	5	**35,379.1**	19,647.6
(iii) Customers' Bills Discounted	5	**7,720.0**	7,282.3
(iv) Cash and Cash Equivalents	11	**8,234.8**	9,502.1
(v) Bank Balances other than (iv) above	11	**21,440.7**	10,265.9
(vi) Loans	6	**14,845.8**	17,483.0
(vii) Loans to Joint Venture Entities	6	**203.1**	343.2
(viii) Other Financial Assets	7	**12,568.3**	10,066.2
(ix) Advance paid for Acquisition	37(c)	**18,250.0**	14,500.0
Other Current Assets	8	**13,857.7**	14,322.7
		142,900.2	119,074.2
Total Assets		**473,751.2**	435,850.8
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	**4,141.9**	4,141.9
Other Equity	13	**206,546.4**	171,117.9
Total Equity attributable to Equity holders of the parent		**210,688.3**	175,259.8
Non-Controlling Interests		**1,495.6**	1,392.4
Total Equity		**212,183.9**	176,652.2
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	**206,289.7**	179,932.4
(ii) Other Financial Liabilities	15	**1,090.4**	930.3
Provisions	19	**42.2**	110.1
Deferred Tax Liabilities (net)	26	**1,424.0**	2,157.1
Other Non-Current Liabilities	16	**12,277.4**	10,509.6
		221,123.7	193,639.5
Current Liabilities			
Financial Liabilities			
(i) Borrowings	17	**11.7**	25,338.9
(ii) Customers' Bills Discounted	17	**7,720.0**	7,282.3
(iii) Trade and Other Payables	18	**4,897.3**	4,556.6
(iv) Other Financial Liabilities	15	**20,938.0**	20,357.2
Provisions	19	**982.2**	872.2
Liabilities for Current Tax (net)	26	**1,286.2**	1,939.1
Other Current Liabilities	16	**4,608.2**	5,212.8
		40,443.6	65,559.1
Total Liabilities		**261,567.3**	259,198.6
Total Equity and Liabilities		**473,751.2**	435,850.8

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date: May 03,2018

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]

DIN : 00006273

Rajesh S. Adani
[Director]

DIN : 00006322

Karan Adani
[Wholetime Director and CEO]
DIN : 03088095

Place : Ahmedabad
Date: May 03, 2018

Dipti Shah
[Company Secretary]

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2018

₹ in Million

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from Operations	20	**113,229.6**	84,393.5
Other Income	21	**10,109.3**	10,401.1
Total Income		**123,338.9**	94,794.6
Expenses			
Operating Expenses	22	**32,318.3**	21,678.9
Employee Benefits Expense	23	**4,473.2**	3,831.4
Depreciation and Amortisation Expense	3	**11,883.7**	11,601.9
Foreign Exchange Loss/(Gain) (net)		**832.9**	(2,774.4)
Finance Costs	24		
Interest and Bank Charges		**12,573.5**	12,812.4
Derivative Loss (net)		**2,380.2**	1,119.4
Other Expenses	25	**4,984.0**	4,736.3
Total Expenses		**69,445.8**	53,005.9
Profit before share of profit from joint venture entities, exceptional items and tax		**53,893.1**	41,788.7
Exceptional items	43(a)	**(1,551.8)**	-
Profit before share of profit from joint venture entities and tax		**52,341.3**	41,788.7
Tax expense:	26		
Current tax		**15,463.9**	8,817.2
Deferred tax		**928.3**	1,753.3
Less: Tax (credit) under Minimum Alternate Tax (MAT)		**(950.4)**	(7,704.2)
Total tax expense		**15,441.8**	2,866.3
Profit after tax and before share of profit from joint venture entities		**36,899.5**	38,922.4
Share of profit from joint venture entities		**-**	92.6
Profit for the Year	(A)	**36,899.5**	39,015.0
Attributable to:			
Equity holders of the parent		**36,736.2**	39,115.2
Non-controlling interests		**163.3**	(100.2)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains/(losses) on defined benefit plans		**8.7**	50.1
Income tax impact		**(2.8)**	(16.1)
		5.9	34.0
Net Gains on FVTOCI Equity Investments		**117.4**	32.4
Income tax impact		**(17.4)**	0.3
		100.0	32.7
Items that will be reclassified to profit or loss in subsequent periods			
Exchange difference on translation of foreign operations		**(7.4)**	-
		(7.4)	**-**
Total Other Comprehensive Income for the year (net of tax)	(B)	**98.5**	66.7
Attributable to:			
Equity holders of the parent		**94.0**	84.2
Non-controlling interests		**4.5**	(17.5)
Total Comprehensive income for the year	(A)+(B)	**36,998.0**	39,081.7
Attributable to:			
Equity holders of the parent		**36,830.2**	39,199.4
Non-controlling interests		**167.8**	(117.7)
Earnings per Share - (Face value of ₹ 2 each) Basic and Diluted (in ₹)	27	**17.74**	18.89

The accompanying notes form an integral part of the consolidated 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

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Kartikeya Raval
Partner

Karan Adani
[Wholetime Director and CEO]
DIN : 03088095

Dipti Shah
[Company Secretary]

Place : Ahmedabad
Date: May 03, 2018

Place : Ahmedabad
Date: May 03, 2018

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

₹ In Million

Particulars	Attributable to equity holders of the parent											Non-controlling interest	Total equity
	Equity share capital	Other Equity									Total		
		Equity Component of Non Cumulative Redeemable Preference shares	Reserves and Surplus						Other Comprehensive Income				
			Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Debenture Redemption Reserve	Tonnage Tax Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Equity instrument through OCI			
Balance as at April 1, 2016	**4,141.9**	**1,658.8**	**25,357.0**	**(2,624.5)**	**6,388.8**	**-**	**16,232.2**	**82,538.1**	**7.3**	**1,355.3**	**135,054.9**	**1,239.6**	**136,294.5**
Profit for the year	-	-	-	-	-	-	-	39,115.2	-	-	39,115.2	(100.2)	39,015.0
Other Comprehensive Income	-	-	-	-	-	-	-	-		-	-	-	-
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	-	34.0	-	-	34.0	-	34.0
Net Gains on FVTOCI Equity Investments (net of tax)	-	-	-	-	-	-	-	-	-	50.2	50.2	(17.5)	32.7
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,149.2**	**-**	**50.2**	**39,199.4**	**(117.7)**	**39,081.7**
Foreign exchange gain /(loss) during the year	-	-	-	627.0	-	-	-	-	-	-	627.0	-	627.0
Amortised in consolidated statement of profit and loss	-	-	-	1,252.0	-	-	-	-	-	-	1,252.0	-	1,252.0
Transfer to General Reserve	-	-	-	-	(5,183.3)	-	5,183.3	-	-	-	-	-	-
Transfer from Retained earnings (net)	-	-	-	-	-	33.0	-	(33.0)	-	-	-	-	-
Transfer to Debenture Redemption reserve	-	-	-	-	3,556.6	-	-	(3,556.6)	-	-	-	-	-
Adjustment on account of acquisition of Non-controlling interest	-	-	-	-	-	-	-	(873.5)	-	-	(873.5)	270.5	(603.0)
Balance as at March 31, 2017	**4,141.9**	**1,658.8**	**25,357.0**	**(745.5)**	**4,762.1**	**33.0**	**21,415.5**	**117,224.2**	**7.3**	**1,405.5**	**175,259.8**	**1,392.4**	**176,652.2**

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

₹ In Million

Particulars	Attributable to equity holders of the parent										Non-controlling interest	Total equity
	Equity share capital	Other Equity								Total		
		Equity Component of Non Cumulative Redeemable Preference shares	Reserve & Surplus						Other Comprehensive Income			
			Securities Premium	Foreign Currency Monetary item Translation Difference Account	Debenture Redemption Reserve	Tonnage Tax Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Equity instrument through OCI		
Balance as at March 31, 2017	**4,141.9**	**1,658.8**	**25,357.0**	**(745.5)**	**4,762.1**	**33.0**	**21,415.5**	**117,224.2**	**7.3**	**1,405.5**	**175,259.8**	**1,392.4**	**176,652.2**
Impact of Demerger (refer note 44)	-	-	-	-	-	-	-	1,239.6	-	-	1,239.6	-	1,239.6
Impact of Demerger on Non-controlling interest (refer note 44)	-	-	-	-	-	-	-	64.6	-	-	64.6	(64.6)	-
Profit for the year (A)	-	-	-	-	-	-	-	36,736.2	-	-	36,736.2	163.3	36,899.5
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-measurement gains / (losses) on defined benefit plans (net of tax) (B)	-	-	-	-	-	-	-	5.9	-	-	5.9	-	5.9
Net Gains on FVTOCI Equity Investments (net of tax) (C)	-	-	-	-	-	-	-	-	-	95.5	95.5	4.5	100.0
Exchange difference on translation of foreign operations (D)	-	-	-	-	-	-	-	-	(7.4)	-	(7.4)	-	(7.4)
Total Comprehensive Income for the year (A+B+C+D)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36,742.1**	**(7.4)**	**95.5**	**36,830.2**	**167.8**	**36,998.0**
Dividend on shares	-	-	-	-	-	-	-	(2,692.2)	-	-	(2,692.2)	-	(2,692.2)
Dividend distribution tax (DDT)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(548.1)	-	-	(548.1)	-	(548.1)
Foreign exchange gain/(loss) during the year	-	-	-	(79.2)	-	-	-	-	-	-	(79.2)	-	(79.2)
Amortised in consolidated statement of profit and loss	-	-	-	453.4	-	-	-	-	-	-	453.4	-	453.4
Transfer to General Reserve	-	-	-	-	(1,193.2)	-	1,193.2	-	-	-	-	-	-
Share in Securities Premium of Joint Venture	-	-	160.2	-	-	-	-	-	-	-	160.2	-	160.2
Transfer to Debenture Redemption Reserve	-	-	-	-	3,048.2	-	-	(3,048.2)	-	-	-	-	-
Transfer to Tonnage Tax Reserve	-	-	-	-	-	3,162.0	-	(3,162.0)	-	-	-	-	-
Balance as at March 31, 2018	**4,141.9**	**1,658.8**	**25,517.2**	**(371.3)**	**6,617.1**	**3,195.0**	**22,608.7**	**145,820.0**	**(0.1)**	**1,501.0**	**210,688.3**	**1,495.6**	**212,183.9**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : May 03,2018

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Karan Adani
[Wholetime Director and CEO]
DIN : 03088095

Dipti Shah
[Company Secretary]

Place : Ahmedabad
Date : May 03, 2018

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Consolidated Statement of Cash flows for the year ended March 31, 2018

₹ In Million

	Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
A	**Cash Flows from Operating Activities**		
	Net profit before Tax	**52,341.3**	41,788.7
	Adjustments for :		
	Depreciation and Amortisation Expense	**11,883.7**	11,601.9
	Unclaimed Liabilities / Excess Provision Written Back	**(19.3)**	(67.8)
	Cost of Land transferred under Finance Lease	**119.6**	18.4
	Recognition of Deferred Income under Long Term Land Lease / Infrastructure Usage Agreements	**(583.7)**	(515.9)
	Financial Guarantees Income	**(43.7)**	(88.2)
	Amortisation of Government Grant	**(85.7)**	(93.3)
	Finance Cost	**12,573.5**	12,812.4
	Effect of Exchange Rate Change	**1,464.0**	2,216.0
	Derivative Loss (net)	**2,380.2**	1,119.4
	(Reversal)/Provision of Doubtful Debts	**(1.9)**	41.3
	Allowances for Doubtful Advance and Deposits	**-**	53.5
	Interest Income	**(9,010.8)**	(8,673.8)
	Dividend Income	**(40.0)**	(22.0)
	Net Gain on Sale of Current Investments	**(346.4)**	(373.4)
	Provision for Impairment (refer note 43 (a))	**1,551.8**	-
	Investment accounted using Equity Method	**753.6**	-
	Diminution in value of Inventories	**3.0**	211.5
	Amortisation of Security Deposit Given	**92.3**	87.4
	Loss on Sale / Discard of Property, Plant and Equipment (net)	**112.6**	35.4
	Net Gain on Sale of Non-Current Investment	**-**	(29.9)
	Operating Profit before Working Capital Changes	**73,144.1**	60,121.6
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	**(15,614.7)**	328.3
	Decrease/(Increase) in Inventories	**448.7**	(229.5)
	(Increase) in Financial Assets	**(4,894.3)**	(1,022.8)
	Decrease/(Increase) in Other Assets	**11,629.7**	(13,833.1)
	Increase in Provisions	**44.3**	350.6
	(Decrease)/Increase in Trade Payables	**(250.6)**	215.7
	Increase in Other Financial Liabilities	**842.9**	118.5
	Increase in Other Liabilities	**723.1**	1,809.2
	Cash Generated from Operations	**66,073.2**	47,858.5
	Direct Taxes paid (Net of Refunds)	**(9,991.8)**	(7,232.8)
	Net Cash generated from Operating Activities	**56,081.4**	40,625.7
B	**Cash Flows from Investing Activities**		
	Purchase of Property, Plant and Equipment	**(27,321.5)**	(37,481.8)
	(Payment)/Refund of Deposit given against Capital Commitments	**(1,928.4)**	7,569.5
	Payment made towards Acquisition of Subsidiaries	**-**	(1,062.7)
	Advance received back	**-**	2,500.0
	Advance paid for Acquisition (refer note 37 (c))	**(3,750.0)**	(14,500.0)
	Equity investment in Joint Venture entities	**(551.8)**	-
	(Investment) / Redemption made in Non Convertible Redeemable Debentures	**(3,170.0)**	1,566.2
	Loans given	**(99,176.5)**	(34,934.0)
	Loans received back	**97,629.6**	54,375.5
	Deposits in Fixed Deposits (net) including Margin Money Deposits	**(11,076.7)**	(5,072.0)
	Proceeds from sale of Investments in Mutual Fund (net)	**483.5**	1,594.8
	Sale/(Purchase) of Investments in Debentures and Commercial Papers (net)	**3,960.0**	(8,944.9)
	Proceeds from Sale of Property, Plant and Equipment	**343.7**	4.6
	Dividend Received	**40.0**	22.0
	Interest Received	**6,059.7**	7,968.7
	Net Cash used in Investing Activities	**(38,458.4)**	(26,394.1)
C	**Cash Flows from Financing Activities**		
	Proceeds from Long Term Borrowings	**56,956.3**	119,875.8
	Repayment of Long Term Borrowings	**(32,912.4)**	(114,866.6)
	Proceeds from Short Term Borrowings	**157,417.9**	209,755.4
	Repayment of Short Term Borrowings	**(183,455.9)**	(215,507.5)
	Interest & Finance Charges Paid	**(11,639.5)**	(10,875.3)
	Cost of Issuance of Bonds/ Debentures and Premium paid on redemption of debenture	**-**	(288.1)
	Loss on settlement of Derivative Contracts	**(2,017.0)**	(1,240.6)
	Payment of Dividend on Equity and Preference Shares	**(2,691.6)**	(6.8)
	Payment of Dividend Distribution Tax	**(548.1)**	-
	Payment towards acquisition of Non-Controlling interest in Subsidiaries	**-**	(93.4)
	Net Cash used in Financing Activities	**(18,890.3)**	(13,247.1)

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Statement of Cash flows for the year ended March 31, 2018

₹ In Million

	Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
D	**Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)**	**(1,267.3)**	984.5
E	**Cash and Cash Equivalents at the Beginning of the year (refer note 11)**	**9,502.1**	8,415.0
		-	-
F	**Cash and Cash Equivalents on acquisition of subsidiary**	**-**	102.6
		-	-
G	**Cash and Cash Equivalents at the End of the year (refer note 11)**	**8,234.8**	9,502.1
	Components of Cash & Cash Equivalents		
	Cash on Hand	**1.3**	0.4
	Cheques on hand	**2,418.6**	-
	Balances with Scheduled Banks		
	- In Current Accounts	**5,480.5**	9,150.5
	- In Fixed Deposit Accounts	**334.4**	351.2
	Cash and Cash Equivalents at the end of the year	**8,234.8**	9,502.1

Summary of significant accounting policies refer note 2.3

1 The Consolidated 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 Standards) Rules, 2015 (as amended).

2 a) During the year, Group has made investment in Mutual Fund of ₹ 560,727.6 million (previous year ₹ 697,888.8 Million) and redeemed Mutual Fund of ₹ 561,211.1 Million (previous year ₹ 699,109.8 Million).

b) During the year, Group has made short term investment in Debenture and Commercial Paper of ₹ 10,500.0 Million (previous year ₹ 11,644.9 Million) and redeemed Debenture and Commercial Paper of ₹ 14,460.0 Million (previous year ₹ 2,700.0 Million).

3 Disclosure under Para 44A as set out in Ind AS 7 on Statement of Cash Flows under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as per note 15(b).

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date: May 03, 2018

For and on behalf of the Board of Directors

Gautam S. Adani [Chairman and Managing Director] DIN : 00006273

Rajesh S. Adani [Director] DIN : 00006322

Karan Adani [Wholetime Director and CEO] DIN : 03088095

Dipti Shah [Company Secretary]

Place:- Ahmedabad
Date:- May 03, 2018

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Notes to the Consolidated Financial Statements for the year ended March 31, 2018

1 Corporate information

The Consolidated financial statements comprise financial statements of Adani Ports and Special Economic Zone Limited ("the Company" or "APSEZL") and its joint venture entities and subsidiaries (collectively, the "Group") for the year ended March 31, 2018. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad, Gujarat, India - 380009.

The Group has port infrastructure facilities at Mundra, Kandla, Hazira, Dahej, Dhamra, Vizag, Murmugao, Kattupalli, Ennore locations developed pursuant to the respective concession/sub concession agreements apart from other business. The Group is also developing port infrastructure at Vizhinjam.

The Company is in the business of development, operations and maintenance of port infrastructure (port services and related infrastructure development) and has linked multi product Special Economic Zone (SEZ) and related infrastructure contiguous to Port at Mundra. The initial port infrastructure facilities at Mundra including expansion thereof through development of additional port terminals and south port terminal infrastructure facilities are developed pursuant to the concession agreement with Government of Gujarat (GoG) and Gujarat Maritime Board (GMB) for 30 years period effective from February 17, 2001. At Mundra, the Company has expanded port infrastructure facilities through approved supplementary concession agreement (pending to be concluded) which will be effective till the year 2040, whereby port infrastructure has been developed at Wandh in Mundra to handle coal cargo. The said agreement is in the process of getting signed with GoG and GMB although Coal terminal at Wandh is recognized as commercially operational w.e.f. February 01, 2011.

The first Container terminal facilities (CT-1) developed at Mundra, was transferred under sub-concession agreement entered into on January 7, 2003 between Mundra International Container Terminal Limited ("MICTL") and the Company wherein the Company has given rights to MICTL to handle the container cargo for a period of 28 years i.e. up to February 17, 2031. The container terminal facilities developed at South Port location (CT-3) has been leased under approved sub concession agreement dated October 17, 2011 to (50:50) joint venture company, Adani International Container Terminal Private Limited ("AICTPL"), co-terminate with main concession agreement with GMB. During the year the Company has entered into an arrangement with the Adani International Container Terminal Private Limited ("AICTPL"), a Joint Venture, to sub lease new terminal CT-3 Extension besides CT-3. The said terminal commenced operations w.e.f. November 01, 2017. The said sub-concession agreement is pending to be concluded with GOG and GMB. Another container terminal facilities developed at South Port location (CT-4) has been leased to (50:50) joint venture company, Adani CMA Mundra Terminal Private Limited ("ACMTPL") (joint venture arrangement with CMA Terminals, France since July 30, 2014). The execution of sub-concession agreement between the Company, ACMTPL and GMB is pending as on date.

The Multi Product Special Economic Zone developed at Mundra by the Company along with port infrastructure facilities is approved by the Government of India vide their letter no. F-2/11/2003/EPZ dated April 12, 2006 and subsequently amended from time to time till date. The Company has also set up Free Trade and Warehousing Zone at Mundra based on approval of Ministry of Commerce and Industry vide letter no.F.1/16/2011-SEZ dated January 04, 2012. The Company has also set up additional Multi Product Special Economic Zone at Mundra Taluka over an area of 1,856 hectares as per approval from Ministry of Commerce and Industry vide approval letter dated April 24, 2015. The Company has received single notification consolidating all three notified SEZ in Mundra vide letter dated March 15, 2016 of Ministry of Commerce and Industry, Department of Commerce (SEZ Section).

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 03, 2018.

The entities considered for consolidation and their nature of operations are as follows:

i) Adani Logistics Limited ("ALL"), a 100% subsidiary of APSEZL, has developed multi-model cargo storage-cum-logistics services through development of Inland Container Depots (ICDs) and Container Freight Stations (CFSs) at various strategic locations and operates container trains on specific railway routes as per concession agreement entered into with Ministry of Railways, Government of India.

ii) MPSEZ Utilities Private Limited ("MUPL"), is a 100% subsidiary of APSEZL, has developed infrastructure including operation, development, maintenance, improvement, and extension of utility services (including power distribution) at Mundra Special Economic Zone in Kutch district, Gujarat.

iii) Mundra SEZ Textile and Apparel Park Private Limited ("MITAP"), a 51.41% subsidiary of APSEZL & 5.57% investment held through ALL (a 100% subsidiary of APSEZL), has set up an integrated textile park under the scheme of Ministry of Textiles, Government of India in Special Economic Zone at Mundra, Kutch district, Gujarat.

iv) Karnavati Aviation Private Limited ("KAPL"), a 100% subsidiary of APSEZL, is engaged in providing non scheduled (passenger) airline services through its aircrafts.

v) Adani Petronet (Dahej) Port Private Limited ("APDPPL"), a 74% subsidiary of APSEZL, has developed a Solid Cargo Port Terminal and related port infrastructure facilities of bulk cargo at Dahej, Gujarat.

vi) Adani Murmugao Port Terminal Private Limited ("AMPTPL"), a 100% subsidiary of APSEZL, has developed port infrastructure facilities i.e. coal handling terminal at Murmugao, Goa.

vii) Mundra International Airport Private Limited ("MIAPL"), a 100% subsidiary of APSEZL, has plan to set up air cargo operations at Kawai, Rajasthan.

viii) Adani Hazira Port Private Limited ("AHPPL"), a 100% subsidiary of APSEZL, has developed multi – cargo terminal and related infrastructure at Hazira - Surat (Gujarat). The further expansion of port facilities is under development.

ix) Hazira Infrastructure Private Limited ("HIPL"), a step down subsidiary of APSEZL, a 100% subsidiary of Adani Hazira Port Private Limited has plans to develop and construct rail corridor between Surat and Hazira along with related infrastructure subject to approval by Railway Board and Government of Gujarat.

x) Mundra LPG Infrastructure Private Limited ("MLIPL") (formerly known as Hazira Road Infrastructure Private Limited), a 100% subsidiary of APSEZL and propose to develop LPG infrastructure.

xi) Adinath Polyfills Private Limited ("APPL") a 100% subsidiary of APSEZL and was strategically acquired to enhance the port business.

xii) Adani Vizag Coal Terminal Private Limited ("AVCTPL") is a 100% subsidiary of APSEZL. The Company has developed Port infrastructure facilities at East Quay for handling steam coal at Visakhapatnam Port.

xiii) Adani Kandla Bulk Terminal Private Limited ("AKBTPL") is a 100% subsidiary of APSEZL. The Company has developed a Dry Bulk terminal off Tekra near Tuna outside Kandla creek at Kandla Port.

xiv) Adani Warehousing Services Private Limited ("AWSPL") is a 100% subsidiary of APSEZL. The Company is formed to provide warehousing / storage facilities and other related services.

xv) Adani Ennore Container Terminal Private Limited ("AECTPL") is a 100% subsidiary of APSEZL. The Company has developed container terminal and other related infrastructure at Ennore Port.

xvi) Adani Hospitals Mundra Private Limited ("AHMPL") is a 100% subsidiary of APSEZL. The Company provides hospital and related services at Mundra.

xvii) The Dhamra Port Company Limited ("DPCL"), has become wholly owned subsidiary of the Company w.e.f. June 23, 2014 and is operating bulk cargo port infrastructure facilities at Dhamra in the state of Odisha.

xviii) Shanti Sagar International Dredging Private Limited ("SSIDPL") (formerly known as Adani Food and Agro Processing Park Private Limited) was incorporated on May 05, 2015 as a 100% subsidiary of APSEZL. The Company is providing dredging services.

xix) The Adani Harbour Services Private Limited ("TAHSPL") has become a wholly owned subsidiary of APSEZL w.e.f. December 08, 2016. Previously, the company was known as TM Harbour Services Private Limited. The principal activity of AHSPL is to own and operate harbour tugs, barges, other port crafts, ocean towage and offshore support vessels and to provide marine services like pilotage, laying and maintenance of buoys including SBMs, mooring of vessels at berth and mid-stream.

xx) Adani Vizhinjam Port Private Limited ("AVPPL"), a 100% subsidiary of APSEZL, is developing container terminal port and other related infrastructure at Vizhinjam.

xxi) Adani Kattupalli Port Private Limited ("AKPPL"), a 100% subsidiary of APSEZL, with an objective for development and operation of container terminal at Kattupalli Tamil Nadu.
AKPPL has entered into implementation agreement with L&T shipbuilding Limited ("LTSB") and Larsen & Toubro Limited on November 09, 2015 for transfer of the Port business of LTSB at Kattupalli, subject to all the approvals from government authorities and further till such approval is received, AKPPL has decided to operate the port under interim operator arrangement w.e.f. November 01, 2015. Currently, AKPPL is operating the terminal facilities at Kattupalli.

xxii) Adani Petroleum Terminal Private Limited ("APTPL") has been incorporated as wholly owned subsidiary of APSEZL on April 26, 2016.

xxiii) Adani Dhamra LPG Terminal Private Limited ("ADLTPL"), a step down subsidiary of APSEZL, a 100% subsidiary of Adani Petroleum Terminal Private Limited has an objective for development of LPG storage and evacuation facilities at Dhamra.

xxiv) Mundra LPG Terminal Private Limited ("MLTPL"), a step down subsidiary of APSEZL, a 100% subsidiary of Adani Petroleum Terminal Private Limited has an objective for development of LPG storage and evacuation facilities at Mundra.

xxv) Dhamra LNG Terminal Private Limited ("DLTPL") , a step down subsidiary of APSEZL, a 100% subsidiary of Adani Petroleum Terminal Private Limited has an objective for development of LNG storage and evacuation facilities at Dhamra.

xxvi) Dholera Infrastructure Private Limited ("DIPL"), an entity in which APSEZL holds 49% of equity, was incorporated with the main object of developing, maintaining and operating infrastructure facilities on November 22, 2006 under the Companies Act, 1956. The company through its subsidiary is in the process of developing port and infrastructure facilities. Under Ind AS 110 , it has been evaluated that APSEZL has defacto control over DIPL and accordingly is considered as subsidiary for consolidation purpose. (refer note 2.4)

xxvii) Dholera Port And Special Economic Zone Limited ("DPSEZL"), a 100% subsidiary of Dholera Infrastructure Private Limited was incorporated on August 31, 1998 under the provisions of Companies Act, 1956. The Company was in the process of developing a port at Dholera.

xxviii) Abbot Point Operations Pty Limited ("APO") was incorporated on May 15, 2015 as a 100% subsidiary of the Company.

xxix) Abbot Point Bulkcoal Pty Limited ("APB") has become a wholly owned subsidiary of Abbot Point Operations Pty Limited w.e.f. October 04, 2016.

xxx) Mundra International Gateway Terminal Private Limited ("MIGTPL") has been incorporated as wholly owned subsidiary of the Company on May 17, 2017.

xxxi) Adani International Terminals Pte Limited ("AITPL") has been incorporated as wholly owned subsidiary of the Company on June 30, 2017.

2 Basis of preparation

2.1 The financials statements of the Group has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. (as amended)
Effective April 01, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind As 101, First-time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.
Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

The financial statements have been prepared on a historical basis, except for the following assets and liabilities which have been measured at fair value or revalued amount :-
- Derivative financial instruments
- Defined Benefit Plans - Plan Assets measured at fair value and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

The Consolidated Financial statements for the year ended March 31, 2017 were audited by predecessor auditor.

2.2 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company, its joint venture entities and its subsidiaries as at March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:-
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:
(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from Intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a) Investment in associates and joint venture entities

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but do not control or joint control over those policies.

A joint venture entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture entities are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture entities is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture entities. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture entities, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture entities are eliminated to the extent of the interest in the joint venture entities.

If an entity's share of losses of a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture entities is shown on the face of the statement of profit and loss.

The financial statements of the joint venture entities are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture entities. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture entities are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture entities and its carrying value, and then recognises the loss as 'Share of profit of a joint venture entities' in the statement of profit and loss.

Upon loss of significant influence over associate entity/ joint control over the joint venture entities, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associates entity / joint venture entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

b) Current versus non-current classification

The Group 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 realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized 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 Group classifies all other liabilities as non-current.

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

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

c) Foreign currency transactions :

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. However, for practical reasons, the Group entities use an average rate if the average approximates the actual rate at the date of transaction. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

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

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

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

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

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

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

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

d) Fair value measurement

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group 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 Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value and for non recurring fair value measurement, such as an assets under the scheme of business undertaking.

External valuers are involved for valuation of significant assets such as business undertaking for transfer under the scheme and unquoted financial assets and financial liabilities. Involvement of external valuers is decided upon annually by the Management and in specific cases after discussion with and approval by the respective company's Audit Committee. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

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

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

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

-Disclosures for valuation methods, significant estimates and assumptions (refer note 2.4 and 34.2)
-Quantitative disclosures of fair value measurement hierarchy (refer note 34.2)
-Investment in unquoted equity shares (refer note 4)
-Financial instruments (including those carried at amortised cost) (refer note 34.1)

e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

Port operation services

Revenue from port operation services / multi-model and transportation service including cargo handling, storage and rail infrastructure are recognized on proportionate completion method basis based on services completed till reporting date. Revenue on take-or-pay charges are recognized for the quantity that is the difference between annual agreed tonnage and actual quantity of cargo handled. The amount recognized as a revenue is exclusive of service tax, education cess and Goods & Service Tax where applicable.

Income in the nature of license fees / royalty is recognized as and when the right to receive such income is established as per terms and conditions of relevant service agreement.

Income from long term leases

As a part of its business activity, the Company leases/ sub-leases land on long term basis to its customers. Leases are classified as finance lease whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease. In some cases, the Company enters into cancellable lease / sub-lease transaction, while in other cases, it enters into non-cancellable lease / sub-lease transaction. The Company recognizes the income based on the principles of leases as set out in Ind AS 17 "Leases" and accordingly in cases where the land lease / sub-lease transaction are cancellable in nature, the income in the nature of upfront premium received / receivable is recognized on operating lease basis i.e. on a straight line basis over the period of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period and annual lease rentals are recognized on an accrual basis.

In cases where land lease / sub-lease transaction are non-cancellable in nature, the income is recognized on finance lease basis i.e. at the inception of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period, the income recognized is equal to the present value of the minimum lease payment over the lease period (including non-refundable upfront premium) which is substantially equal to the fair value of land leased / sub-leased. In respect of land given on finance lease basis, the corresponding cost of the land and development costs incurred are expensed off in the statement of profit and loss.

Deferred Infrastructure Usage

Income from infrastructure usage fee collected upfront basis from the customers is recognized over the balance contractual period on straight line basis.

Development of Infrastructure Assets

In case the Group is involved in development and construction of infrastructure assets where the outcome of the project cannot be estimated reasonably, revenue is recognized when all significant risks and rewards of ownership in the infrastructure assets are transferred to the customer and all critical approvals necessary for transfer of the project are received / obtained.

Non scheduled aircraft services

Revenue from chartered services is recognized when the service is performed under contractual obligations.

Utilities Services

Revenue is recognized as and when the service performed under contractual obligations and the right to receive such income is established. Delayed payment charges are accounted as and when received.

Contract revenue

Revenue from construction contracts is recognized on a percentage completion method, in proportion that the contract costs incurred for work performed up to the reporting date stand to the estimated total contract costs indicating the stage of completion of the project. Contract revenue earned in excess of billing has been reflected under the head "Other Current Assets" and billing in excess of contract revenue has been reflected under the head "Other Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen and cost incurred towards future contract activity is classified as project work in progress.

Income from fixed price contract - Revenue from infrastructure development project / services under fixed price contract, where there is no uncertainty as to measurement or collectability of consideration is recognized based on milestones reached under the contract.

Income from SEIS/SFIS

Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 and Served from India Scheme ('SFIS') under Government's Foreign Trade Policy 2009-14 on the port services income are classified as "Other Operating Income' ' and is recognised based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licenses are classified as 'Other Non Financial Assets'.

Interest income

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

Dividends

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

f) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

Royalty on Cargo

Waterfront royalty cargo under the various concession/sub concession agreement is paid at concessional rate in terms of rate prescribed by respective states Maritime Board (MB) and notified in official gazette of various state Government authorities, wherever applicable.

g) 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 or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint venture entities, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint venture entities, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The Company is eligible and claiming tax deductions available under section 80IAB of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2007-08. Some of the subsidiaries and joint venture entities are also eligible for tax deductions available under section 80IA of the Income Tax Act, 1961 for a period of 10 years out of eligible period of 15 years. In view of the Company and some of the subsidiaries and joint venture entities availing tax deduction under Section 80IA/80IAB of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

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

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

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

The Group recognizes tax credits in the nature of Minimum Alternative Tax ("MAT") credit as an asset only to the extent that there is sufficient taxable temporary difference/convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the consolidated statement of profit and loss. The Group reviews the such tax credit asset at each reporting date and writes down the asset to the extent the Group does not have sufficient taxable temporary difference/convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

h) Property, plant and equipment (PPE)

Under the previous GAAP (Indian GAAP), Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs (if capitalization criteria are met) and other cost directly attributable to bringing the asset to its working condition for the intended use. The Group has elected to regard previous GAAP carrying values of property, plat and equipment as deemed cost at the date of transition to Ind AS.

Capital work in progress is stated at cost. Such cost includes the cost of replacing parts 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 Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

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

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

The Group has estimated the following useful life to provide depreciation on its certain Property, Plant and Equipment based on assessment made by expert and management estimate.

Assets	**Estimated Useful life**
Leasehold Land	Right to Use over the balance period of Concession Agreement and approved Supplementary Concession Agreement (as mentioned in note 1) / over the period of agreement of 20 years.
Leasehold Land Development	Over the balance period of Concession Agreement and approved Supplementary Concession Agreement by Gujarat Maritime board, other major port trust authorities, State Government authorities etc. as applicable.
Marine Structure, Dredged Channel, Building RCC Frame Structure	50 Years as per concession agreement/over the balance period of concession agreement as applicable.
Dredging Pipes - Plant and Equipment	1.5 Years
Nylon and Steel coated belt on Conveyor - Plant and Equipment	4 Years and 10 Years respectively
Inner Floating and outer floating hose, String of Single Point Mooring - Plant and Machinery	6 Years
Fender, Buoy installed at Jetty - Marine Structures	5 - 10 Years
Bridges, Drains & Culverts	25 Years as per concession agreement
Carpeted Roads – Other than RCC	10 Years
Non Carpeted Roads – Other than RCC	3 Years
Tugs	20 Years

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

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

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

i) Intangible assets

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

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

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

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

Intangible Assets	Method of Amortisation	Estimated Useful life
Software applications	on straight line basis	5 Years based on management estimate
License Fees paid to Ministry of Railway (MOR) for approval for movement of Container Trains	on straight line basis	Over the license period of 20 years
Right to Use of Land	on straight line basis	Over the period of agreement between 10-20 years
Right of use to develop and operate the port facilities	on straight line basis	Over the balance period of Sub-Concession Agreement

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

The Group recognises port concession rights as "Port Infrastructure Rights" under "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 Group as part of the service concession arrangement. Such an intangible asset is recognised by the Group 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 Group 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 A of Ind AS 11 '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 consolidated statement of profit or loss when the asset is de-recognised.

The estimated period of port concession arrangements are of 30 years.

j) 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 except where expenses are adjusted to securities premium account in compliance with section 52 of the Companies Act, 2013. 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.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs . Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group 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 Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group'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.

l) Inventories

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

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

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

Costs incurred that relate to future contract activities are recognised as "Project Work-in-Progress".

Project work-in-progress comprise specific contract costs and other directly attributable overheads including borrowing costs which can be allocated on specific contract cost is, valued at lower of cost and net realisable value.

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

m) Impairment of non-financial assets

The Group 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 Group 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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group'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 impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, 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 Group 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 and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at every year end and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

n) Provisions, Contingent Liabilities and Contingent Assets

General

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

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

Operational Claim provisions

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

o) Retirement and other employee benefits

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

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

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

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

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

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

p) Financial instruments

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

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 with that are attributable to the acquisition of the financial assets.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments and derivative instruments and equity instruments at fair value through Profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

(ii) 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 Group. 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 and loss . The losses arising from impairment are recognised in the statement of profit and loss except where the Company has given temporary waiver of interest not exceeding 12 months period. This category generally applies to trade/loans and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL.

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Perpetual debt

The Company invests in a subordinated perpetual debt, redeemable at the issuer's option, with a fixed coupon that can be deferred indefinitely if the issuer does not pay a dividend on its equity shares. The Company classifies these instruments as equity under Ind AS 32.

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 Group's consolidated balance sheet) when:

-The rights to receive cash flows from the asset have expired, or

- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment of financial assets

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

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

b) Financial assets. that are debt instruments, are measured at fair value through other comprehensive income (FVTOCI)

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

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

> Trade receivables or contract revenue receivables; and

> All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach the Group 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 group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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

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

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

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

Subsequent measurement

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

Financial liabilities at fair value through profit 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 Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

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

Loans and borrowings

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

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

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through profit or loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group 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.

q) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through profit 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 classified in the statement of profit and loss and reported with foreign exchange gains/(losses) 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 cost.

r) Redeemable preference shares

Redeemable preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

Transaction costs are apportioned between the liability and equity components of the redeemable preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

s) 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 consolidated 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 Group's cash management.

t) Cash dividend to equity holders of the parent

The Company recognises a liability to make cash to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Goodwill on consolidation

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully. Goodwill on consolidation arising on acquisitions on or after the date of transition represents the excess of the cost of acquisition at each point of time of making the investment in the subsidiary, over the Group's share in the fair value of the net assets of a subsidiary.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

v) Business Combination

Business Combination have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes fair value of any contingent considerations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at the fair value on the date of acquisition.

Business Combinations between entities under common control is accounted for at carriying value.

Transaction costs that the Group incurs in connection with a business combination such as legal fees, due diligence fees and other professional consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

w) Earnings per Share

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

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

2.4 Significant accounting judgments, estimates and assumptions

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which has the most significant effect on the consolidated financial statements:

Consolidation of entities in which the Group holds less than a majority of voting rights (de facto control):-

Group owns 49% ownership interest in Dholera Infrastructure Private Limited ("DIPL"), Group has entered into an agreement with the other shareholders of the DIPL basis which the directors of the Company has assessed that it has the practical ability to direct the relevant activities of DIPL unilaterally and therefore APSEZ has control over DIPL.

Investment in entities which are not considered for consolidation

The Group has investment of ₹ 400 Million in Kutch Railway Company Limited ("KRCL"), the investee, to the tune of the 20% of the paid up capital of the said company. However, the considering that majority of the remaining shares are held by government companies / government authorities / government agencies, and the day-to day-operations being managed by government officials, the Group does not consider that it has significant influence over KRCL. Accordingly, the investment in the said entity has not been accounted under Ind AS 28.

Further, the group has investment of ₹ 52.1 Million in Ambily Technologies Private Limited ("ATPL"), the investee, to the tune of 20% of the paid up capital of the said company. However, the Group is currently not involved in the operational and financial matters of the company and accordingly, the Group does not consider that it has significant influence over ATPL. Accordingly, the investment in ATPL has not been accounted under Ind AS 28.

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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets (including goodwill)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the CGU, are disclosed and further explained in note 43 and 45.

Impairment of financial assets

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

Taxes

Deferred tax assets (including MAT credits) 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 judgement 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 26.

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 29.

Fair value measurement of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 34 for further disclosures.

Provision for Decommissioning Liabilities

The management of the Group has estimated that there is no contractual and probable decommissioning liability under the condition / terms of the various concession agreements/sub-concession agreements with various Maritime Boards/Government Port Trust Authorities.

Depreciation / amortisation and useful lives of property, plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

3. Property, Plant and Equipment, Intangible Assets, Capital Work-in-Progress and Goodwill

Note 3(a) Property, Plant and Equipment

₹ in Million

Particulars	Property, Plant and Equipment																Total
	Free Hold Land	Leasehold land	Buildings, Roads and Civil Infrastructure	Computer Hardware	Land Development cost on Leasehold Land	Office Equipments	Plant & Equipment	Furnitures & Fixture	Vehicles	Dredged Channels	Marine Structures	Railway Tracks	Tugs and Boats	Railway Wagons	Aircraft	Project Assets	
Cost																	
As at April 1, 2016	**6,249.3**	**175.4**	**28,875.2**	**419.6**	**6,652.6**	**403.0**	**51,169.0**	**420.0**	**310.9**	**25,967.3**	**23,472.0**	**8,620.2**	**8,474.2**	**1,168.0**	**2,956.3**	**10,465.3**	**175,798.3**
Additions	211.7	612.5	2,536.3	100.0	136.5	386.6	1,529.1	142.3	40.0	5,977.5	614.2	58.3	2,174.6	-	-	446.6	14,966.2
Deductions/Adjustment	(20.5)	-	188.1	(5.2)	-	(1.8)	(11.9)	(1.6)	(19.9)	68.5	(1,389.2)	-	(229.3)	(5.4)	-	(963.1)	(2,391.3)
Exchange difference	-	-	12.0	(4.7)	51.5	6.1	60.1	-	-	187.7	(48.2)	27.0	59.0	2.5	(31.5)	(208.8)	112.7
As at March 31, 2017	**6,440.5**	**787.9**	**31,611.6**	**509.7**	**6,840.6**	**793.9**	**52,746.3**	**560.7**	**331.0**	**32,201.0**	**22,648.8**	**8,705.5**	**10,478.5**	**1,165.1**	**2,924.8**	**9,740.0**	**188,485.9**
Additions	153.3	2.2	3,152.8	170.9	1,444.2	105.9	7,953.6	181.0	83.1	3,723.0	1,801.7	107.9	10,235.9	-	-	-	29,115.5
Deductions/Adjustment	(15.3)	-	(4.5)	(6.8)	(78.6)	(6.9)	(366.1)	(6.0)	(56.3)	-	-	-	(75.8)	-	-	(4.1)	(620.4)
Exchange difference	-	-	26.0	(0.6)	0.9	0.1	94.5	1.0	-	5.6	23.1	6.3	(8.6)	(0.1)	5.3	263.5	417.0
As at March 31, 2018	**6,578.5**	**790.1**	**34,785.9**	**673.2**	**8,207.1**	**893.0**	**60,428.3**	**736.7**	**357.8**	**35,929.6**	**24,473.6**	**8,819.7**	**20,630.0**	**1,165.0**	**2,930.1**	**9,999.4**	**217,398.0**
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation/amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at April 1, 2016	**-**	**5.2**	**1,956.6**	**126.9**	**213.4**	**93.3**	**3,867.5**	**41.9**	**59.5**	**577.5**	**587.3**	**841.6**	**455.5**	**87.0**	**174.5**	**1,109.0**	**10,196.7**
Depreciation for the year	-	19.7	1,948.7	122.7	313.4	231.0	4,043.7	42.8	59.6	707.8	535.1	858.5	1,211.0	104.2	172.5	1,375.3	11,746.0
Deductions/(Adjustment)	-	-	(0.3)	(5.0)	-	(1.4)	(5.8)	(0.8)	(7.3)	-	(0.3)	-	(64.1)	-	-	-	(85.0)
As at March 31, 2017	**-**	**24.9**	**3,905.0**	**244.6**	**526.8**	**322.9**	**7,905.4**	**83.9**	**111.8**	**1,285.3**	**1,122.1**	**1,700.1**	**1,602.4**	**191.2**	**347.0**	**2,484.3**	**21,857.7**
Depreciation for the year	-	34.6	1,696.2	131.4	318.6	129.4	4,326.5	42.7	55.7	855.8	555.3	812.8	914.8	102.1	171.7	1,180.3	11,327.9
Deductions/(Adjustment)	-	-	(2.1)	(4.2)	-	(3.3)	(159.9)	(2.7)	(29.5)	-	(10.6)	-	(13.8)	-	-	(2.1)	(228.2)
As at March 31, 2018	**-**	**59.5**	**5,599.1**	**371.8**	**845.4**	**449.0**	**12,072.0**	**123.9**	**138.0**	**2,141.1**	**1,666.8**	**2,512.9**	**2,503.4**	**293.3**	**518.7**	**3,662.5**	**32,957.4**
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Block	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	6,440.5	763.0	27,706.6	265.1	6,313.8	471.0	44,840.9	476.8	219.2	30,915.7	21,526.7	7,005.4	8,876.1	973.9	2,577.8	7,255.7	166,628.2
As at March 31, 2018	**6,578.5**	**730.6**	**29,186.8**	**301.4**	**7,361.7**	**444.0**	**48,356.3**	**612.8**	**219.8**	**33,788.5**	**22,806.8**	**6,306.8**	**18,126.6**	**871.7**	**2,411.4**	**6,336.9**	**184,440.6**

Notes :-

a) Depreciation of ₹ 682.1 Million (previous year ₹ 1,300.3 Million) relating to the project assets and pre-fabricated residential structure (temporary structure) has been allocated to Capitalisation / Capital Work-in-progress for expansion of project works.

b) Freehold Land includes land development cost of ₹ 125.6 Million (previous year ₹ 125.6 Million).

c) Plant and Equipment includes cost of Water Pipeline amounting to ₹ 33.7 Million (Gross) (previous year ₹ 33.7 Million), accumulated depreciation ₹ 11.9 Million (previous year ₹ 7.9 million) which is constructed on land not owned by the Company.

d) Buildings includes 612 residential flats (previous year 612 flats) and a hostel building valuing ₹ 1,307.5 Million (previous year ₹ 1,307.5 Million) at Samudra Township, Mundra, which are pending to be registered in Company's name. Further an advance of ₹ Nil (previous year ₹ 81.9 Million) is also paid to purchase additional flats / hostel building.

e) As a part of concession agreement for development of port and related infrastructure at Mundra, the Company has been allotted land on lease basis by Gujarat Maritime Board (GMB). The Company has recorded rights in the GMB Land at present value of future annual lease payments in the books and classified the same as lease hold land.

f) Land development cost on leasehold land includes costs incurred towards reclaimed land of ₹ 6,636.1 Million (previous year ₹ 5,370.3 Million). The cost has been estimated by the management, being cost allocated out of the dredging activities approximate the actual cost.

g) Reclaimed land measuring 1,112.80 hectare are pending to be registered in the name of the Company.

h) Project Assets includes dredgers and earth moving equipments.

i) Free hold Land includes Land given on Operating Lease Basis:
   Gross Block as at March 31, 2018 : ₹ 67.1 Million (previous year ₹ 67.1 Million)
   Accumulated Depreciation as at March 31, 2018 : ₹ 2.4 Million (previous year ₹ 1.2 Million)
   Net Block as at March 31, 2018 : ₹ 64.7 Million (previous year ₹ 65.9 Million)

j) Plant and Equipment includes tanks given on operating lease basis::
   Gross Block as at March 31, 2018 : ₹ 80.7 Million (previous year ₹ 80.7 Million)
   Accumulated Depreciation as at March 31, 2018 : ₹ 12.2 Million (previous year ₹ 8.1 Million)
   Net Block as at March 31, 2018 : ₹ 68.5 Million (previous year ₹ 72.6 Million)

k) Leasehold land includes 38 hectare of forest land amounting to ₹ 35.9 Million allotted to the Company by Ministry of Environment and Forests.

l) GIDC has allotted 11.70 hectare of land on right to use basis for the period of 10 years for developing facilities for the project having gross value of ₹ 5.8 Million (previous year ₹ 5.8 Million).

m) Plant and Equipment includes electrical installation of ₹ 130.4 Million and accumulated depreciation of ₹ 34.6 Million (previous year ₹ 130.4 Million and accumulated depreciation of ₹ 23.1 Million) for setting up of 66 kVA infrastructure facilities for providing power connection to the port facilities.

n) The company had been allotted 11.53 hectares of GIDC land and 13.57 hectare land on operating lease for development of port infrastructure.

o) The amount of borrowing costs capitalised during the year ended March 31, 2018 was ₹ 595.8 Million (previous year ₹ 316.5 Million). The rate used to determine the amount of borrowing costs eligible for capitalisation was ranging from 2.85% to 11%, which is the effective interest rate of the specific borrowing.

p) The Company had reclaimed total 230 hectares of land for its port activities. The Company had developed these land area through dredging activities and an amount of ₹ 176.8 Million (previous year ₹ 176.8 Million) is capitalized as leasehold land development.

q) Plant and Equipment includes construction equipments of Gross value of ₹ 0.5 Million (previous year ₹ 0.5 Million) and accumulated depreciation of ₹ 0.1 Million (previous year ₹ 0.1 Million).

r) Refer footnote to note 14 and 17 for security / charges created on property, plant and equipment.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 3(b) Intangible Assets

₹ in Million

Particulars	Software	Railway License Fee	Port Infra-structure Rights	Right to use of land	Total
Cost					
As at April 1, 2016	**283.2**	**312.5**	**17,068.0**	**215.6**	**17,879.3**
Additions	236.1	-	56.8	-	292.9
Deductions/Adjustment	-	-	1,322.6	-	1,322.6
Exchange difference	(1.5)	-	(51.6)	-	(53.1)
As at March 31, 2017	**517.8**	**312.5**	**18,395.8**	**215.6**	**19,441.7**
Additions	254.6	-	927.8	-	1,182.4
Deductions/Adjustment	-	-	(64.5)	-	(64.5)
Exchange difference	0.2	-	56.5	-	56.7
As at March 31, 2018	**772.6**	**312.5**	**19,315.6**	**215.6**	**20,616.3**
	-	-	-	-	-
Depreciation/amortisation	-	-	-	-	-
As at April 1, 2016	**74.0**	**25.0**	**984.0**	**11.5**	**1,094.5**
Depreciation for the year	82.0	25.0	1,037.7	11.5	1,156.2
Deductions/Adjustment	-	-	(11.9)	-	(11.9)
As at March 31, 2017	**156.0**	**50.0**	**2,009.8**	**23.0**	**2,238.8**
Depreciation for the year	111.0	25.0	1,100.9	1.0	1,237.9
Impairment (refer note 43 (a))	-	-	1,551.8	-	1,551.8
Deductions/Adjustment	-	-	(0.4)	-	(0.4)
As at March 31, 2018	**267.0**	**75.0**	**4,662.1**	**24.0**	**5,028.1**
Net Block	-	-	-	-	-
As at March 31, 2017	361.8	262.5	16,386.0	192.6	17,202.9
As at March 31, 2018	**505.6**	**237.5**	**14,653.5**	**191.6**	**15,588.2**

Note 3(c) Capital Work-in-Progress

Particulars	₹ in Million
As at March 31, 2017	45,139.7
As at March 31, 2018	**45,454.6**

Refer note 36 for break up of cost of significant component in Capital Work-in-Progress.

Note 3(d) Goodwil

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Carrying value at the beginning of the year	**26,703.9**	26,445.8
Add/(Less):- Amount recognised through business combination (refer note 40)	**(32.6)**	258.1
Carrying value at the end of the year (refer note 45)	**26,671.3**	26,703.9

4 Non-Current Investments	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Unquoted		
In Equity Shares of Company (Investment at fair value through OCI) (refer note (c) below)		
5,00,00,000 (previous year 5,00,00,000) fully paid Equity Shares of ₹ 10 each of Kutch Railway Company Limited	**2,100.0**	2,000.0
1,73,30,000 (previous year - 1,73,30,000) fully paid Equity Shares of ₹ 10 each of Bharuch Dahej Railway Company Limited	**259.9**	242.5
5,50,000 (previous year 5,50,000) fully paid Equity Shares of ₹ 10 each of Mundra Solar Technopark Private Limited	**9.4**	9.4
1,000 (previous year 1,000) fully paid Equity Shares of AUD 1 each of Mundra Port Pty Limited (refer note b)	-*	-*
14,001 (previous year - NIL) fully paid Equity Shares of ₹ 10 each of Ambily Technologies Private Limited	**52.1**	-
Total FVTOCI Investment	**2,421.4**	2,251.9
In equity shares of Joint Ventures (valued at cost)		
32,22,31,817 (previous year 31,02,01,040) fully paid Equity Shares of ₹ 10 each of Adani International Container Terminal Private Limited (refer note e)	**-**	-
5,93,78,278 (previous year 3,03,95,000) fully paid Equity Shares of ₹ 10 each of Adani CMA Mundra Terminal Private Limited (refer note d, e)	**-**	271.3
Investment in Debenture (Valued at amortised cost)	**-**	-
3,170 (previous year Nil) 7.7% Non-Convertible Redeemable Debenture of ₹ 10,00,000 each of J M Financial Products Limited	**3,170.0**	-
	-	-
In Government Securities (valued at amortised cost)		-
National Savings Certificates (Lodged with Government Department) & others	-*	0.1
	5,591.4	2,523.3

-* Figures being nullified on conversion to ₹ in Million

Notes:

a) Aggregate cost of unquoted investments as at March 31, 2018 ₹ 5,591.4 Million (previous year - ₹ 2,523.3 Million).

b) 1,000 fully paid equity shares (previous year - 1,000) of Mundra Port Pty Limited. (Refer note 38(t)) has been pledged with banks against borrowings by the respective entity.

c) Reconciliation of Fair value measurement of the investment in unquoted equity shares

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Opening Balance	**2,251.9**	2,219.5
Add : Investment made during the year	**52.1**	-
Fair value gain recognised in Other comprehensive income	**117.4**	32.4
Closing Balance	**2,421.4**	2,251.9

d) Investment in equity shares of Joint Venture entity Adani CMA Mundra Terminal Private Limited ("ACMPTL") include deemed investment of ₹ Nil (previous year ₹ 44.9 Million) arising from financial guarantee given to banks for the loans taken by ACMPTL.

e) Carrying value of the investment is ₹ Nil due to elimination of unrealised profits from intra-group transactions.

5 Trade Receivables (Unsecured, unless otherwise stated)	Non-current portion		Current portion	
	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Trade Receivables				
- Considered good	**21.4**	136.3	**18,487.3**	16,751.2
- Considered doubtful	**-**	-	**244.3**	250.6
Receivable from related parties, unsecured considered good (refer note 32)	**-**	-	**24,611.8**	10,178.7
	21.4	136.3	**43,343.4**	27,180.5
Less : Allowances for Doubtful debts	**-**	-	**(244.3)**	(250.6)
	21.4	136.3	**43,099.1**	26,929.9
	-	**-**	**-**	-
Other Trade Receivables	**21.4**	136.3	**35,379.1**	19,647.6
Customers' Bill Discounted (refer note (c) below)	**-**	-	**7,720.0**	7,282.3
Total Trade Receivables	**21.4**	136.3	**43,099.1**	26,929.9

Notes:

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

b) Generally, as per credit terms trade receivable are collectable within 30-180 days although the Group provide extended credit period with interest between 8% to 15% considering business and commercial arrangements with the customers including with the related parties. Receivable of ₹ 25.4 Million (previous year ₹ 79.1 Million) are contractually collectable on deferred basis.

c)The Carrying amounts of the trade receivables include receivables amounting to ₹ 7,720.0 Million (previous year ₹ 7,282.3 Million) which are subject to a bills discounting arrangement. Under this arrangement, the Group has transferred the relevant receivables to the bank / financial institution in exchange of cash and is prevented from selling or pledging the receivables. The Cost of bill discounting is to the customer's account as per the arrangement. However, the Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the bills discounting arrangement is presented as unsecured borrowing in note 17.

d) Trade receivable includes receivables arising from services provided to power companies which are passing through a difficult external environment causing certain delays in payment.

The Group has reviewed these receivables and considering the improving market conditions in the power sector, expects that the power companies will improve their operating effectiveness and recover past dues from Discoms and thereby the Group believes that the amount is good and recoverable.

6 Loans (Unsecured unless otherwise stated)

	Non-current portion		Current portion	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Loans to Joint Venture Entities				
Considered Good	**11,930.6**	7,593.2	**203.1**	343.2
Loans to Related Parties	**-**	-	**-**	-
Considered Good	**-**	-	**-**	4.0
Loans to others (refer note below)	**-**	-	**-**	-
Considered Good	**28.0**	-	**14,845.8**	17,479.0
	-	-	**-**	-
	11,958.6	7,593.2	**15,048.9**	17,826.2

Note :

Loan to others includes inter-corporate deposits aggregating ₹ 11,054.0 Million (previous year ₹ 13,451.4 Million) (Including renewals on due dates) to third parties. These deposits are given at prevailing market interest rates. The inter-corporate deposits have been approved by the Finance committee of the Board of Directors .

The Group has received adequate undertaking on record by its promoters' company to safeguard the full recovery of this amount together with the interest. In the opinion of the Group, all these loans /deposits are considered good and realisable as at the year end.

7 Other Financial Assets

	Non-current portion		Current portion	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Security deposits				
- Considered good	**4,883.5**	1,771.4	**2,924.6**	3,728.0
- Considered doubtful	**-**	-	**72.7**	72.7
	4,883.5	1,771.4	**2,997.3**	3,800.7
Allowances for doubtful deposit	**-**	-	**(72.7)**	(72.7)
	4,883.5	1,771.4	**2,924.6**	3,728.0
	-	-	**-**	-
Loans and Advances to Employees	**22.0**	24.2	**28.7**	32.5
Land Lease Receivable (refer note 20 (c))	**9,238.1**	5,925.2	**46.4**	28.7
Bank Deposit with original maturity of more than twelve months and margin money deposits (refer note 11)	**405.1**	503.2	**-**	-
Interest Accrued	**-**	31.5	**6,943.0**	4,220.9
Non Trade Receivable	**-**	-	**1,070.8**	92.1
Receivables against sale of investment (refer note 38(t))	**-**	-	**859.3**	851.3
Derivative Instruments / Forward Contracts Receivable	**-**	65.0	**619.1**	996.6
Financial Guarantee received	**-**	87.4	**43.7**	-
Others	**-**	-	**5.0**	92.1
Gratuity Assets (refer note 29)	**-**	-	**27.7**	24.0
	14,548.7	8,407.9	**12,568.3**	10,066.2

8 Other Assets

	Non-current portion		Current portion	
	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Capital advances				
- Secured, considered good	**0.4**	33.5	**-**	-
- Unsecured, considered good	**8,396.8**	8,314.6	**-**	-
- Unsecured, doubtful	**105.9**	105.9	**-**	-
	8,503.1	8,454.0	**-**	-
Less: Allowances for doubtful advances	**(105.9)**	(105.9)	**-**	-
	8,397.2	8,348.1	**-**	-
	-	-	**-**	-
Balance with Government Authorities	**2,449.0**	2,106.7	**1,443.6**	1,657.0
Prepaid Expenses	**749.5**	656.6	**324.3**	933.8
Deposits given (unsecured, considered good)	**-**	1,150.5	**1,112.9**	-
Accrued Income (refer note 42)	**-**	-	**2,632.7**	2,409.5
Advances recoverable other than in cash	**-**	-	**-**	-
To others	**1.2**	1.9	**897.9**	1,438.4
To related party	**-**	250.0	**3,346.7**	3,373.1
Project work in progress (refer note 9)	**-**	9,351.7	**-**	-
Export benefits and Other receivables	**-**	-	**4,099.6**	4,510.9
Taxes recoverable (net) (refer note 26)	**1,873.9**	660.1	**-**	-
	13,470.8	22,525.6	**13,857.7**	14,322.7

Notes:

a) Capital advance includes ₹ 1,587.1 Million (previous year ₹ 1,554.8 Million) paid to various parties and government authorities towards purchase of land.

b) The Group has received bank guarantees of ₹ 0.4 Million (previous year ₹ 33.5 Million) against capital advances.

9 Inventories (At lower of cost and Net realisable value)

	Non-current portion		Current portion	
	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Stores and Spares, Fuel and Lubricants	-	-	**2,232.2**	2,680.9
Project work in progress (refer note 42 & 46)	**-**	9,351.7	**2,970.7**	3,890.0
	-	9,351.7	**5,202.9**	6,570.9
	-	-	-	-
Amount disclosed under non-current assets (refer note 8)	**-**	(9,351.7)	-	-
	-	-	**5,202.9**	6,570.9

10 Current Investments

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Unquoted mutual funds (valued at fair value through profit and loss)		
Nil (previous year 85,663.86 units) of ₹ 10 each in JM High Liquidity - Direct Plan - Growth	**-**	3.8
22,457.17 units (previous year Nil) of ₹ 10 each in ICICI Prudential Liquidity - Direct Plan - Growth	**5.8**	-
2,50,000 units (previous year 2,50,000 units) of ₹ 10 each in HDFC Mutual Fund	**2.5**	2.5
Nil (previous year 34,465.76 units) of ₹ 10 each in SBI Premier Liquid Fund - Direct Plan - Growth	**-**	88.0
Nil (previous year 1,92,462.18 units) of ₹ 10 each in Birla Sun Life Cash Plus - Direct Plan - Growth	**-**	51.1
Investment in Commercial Papers (CP) (Valued at Amortised Cost)	-	-
Commercial Papers of ECAP Equities Limited	**5,189.5**	4,658.4
Commercial Papers of L&T Finance Limited	**-**	2,516.5
Investment in Debentures (Valued at Amortised Cost)	-	-
Nil (previous year 1,770 units) 8.75 % Non-Convertible Redeemable Debenture of ₹ 10,00,000 each of J M Financial Products Limited	**-**	1,770.0
	5,197.8	9,090.3
Aggregate carrying value of unquoted Mutual Funds	**8.3**	145.4
Aggregate net assets value of unquoted Mutual Funds	**8.3**	145.4
Aggregate carrying value of unquoted investment in Commercial Papers and Debentures	**5,189.5**	8,944.9

Note:-

Investments in commercial papers of ECAP Equities Limited is rated A1+. During the previous year, investments in commercial papers of ECAP Equities Limited, L&T Finance Limited and debentures of J M Financial Products Limited are A1+ and AA / Stable rated instruments,

11 Cash and Bank Balances

	Non-current portion		Current portion	
	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Cash and cash equivalents				
Balance in current account	**-**	-	**5,480.5**	9,150.5
Deposits with original maturity of less than three months	**-**	-	**334.4**	351.2
Cheques on hand	**-**	-	**2,418.6**	-
Cash on hand	**-**	-	**1.3**	0.4
	-	-	**8,234.8**	9,502.1
Other bank balances	-	-	-	-
Bank Deposit with maturity of more than 12 months	**375.1**	-	**-**	-
In Current Account (earmarked for Unpaid Dividend) /share application Refund	**-**	-	**8.8**	8.2
Deposits with original maturity over 3 months but less than 12 months	**-**	-	**21,172.5**	10,150.7
Margin Money Deposits	**30.0**	503.2	**259.4**	107.0
	405.1	503.2	**21,440.7**	10,265.9
Amount disclosed under Non- Current Financial Assets (refer note 7)	**(405.1)**	(503.2)	**-**	-
	-	-	**21,440.7**	10,265.9

Note:

Margin Money Deposits includes ₹ 289.4 Million (previous year ₹ 610.2 Million) pledged / lien against bank guarantees, letter of credit and other credit facilities.

12 Equity Share Capital

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Equity share capital		
Authorised share capital		
4,97,50,00,000 (previous year 4,97,50,00,000) Equity Shares of ₹ 2 each	**9,950.0**	9,950.0
	9,950.0	9,950.0
Issued, subscribed and fully paid-up share capital	**0.0**	0.0
2,07,09,51,761 (previous year 2,07,09,51,761) fully paid up Equity Shares of ₹ 2 each	**4,141.9**	4,141.9
	4,141.9	4,141.9

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	**March 31, 2018**		March 31, 2017	
	No.	**₹ In Million**	No.	₹ In Million
At the beginning of the year	**2,07,09,51,761**	**4,141.90**	2,07,09,51,761	4,141.90
Add/(Less):- Change during the year	**-**	**-**	-	-
Outstanding at the end of the year	**2,07,09,51,761**	**4,141.90**	2,07,09,51,761	4,141.90

Notes:

Terms/rights attached to equity shares

(i) The Company has only one class of equity share having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

(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.

(b) Equity Component of Non-cumulative Redeemable Preference Shares

Particulars	**March 31, 2018**		March 31, 2017	
	No.	**₹ In Million**	No.	₹ In Million
At the beginning of the year	**28,11,037**	**1,658.8**	28,11,037	1,658.8
Change during the year	**-**	**-**	-	-
Outstanding at the end of the year	**28,11,037**	**1,658.8**	28,11,037	1,658.8

Terms of Non-cumulative Redeemable Preference shares:

The Company has outstanding 28,11,037 0.01 % Non-Cumulative Redeemable Preference Shares ('NCRPS') of ₹ 10 each issued at a premium of ₹ 990.00 per share. Each holder of preference shares has a right to vote only on resolutions placed before the Company which directly affects the right attached to preference share holders. These shares are redeemable on March 28, 2024 at an aggregate premium of ₹ 2,782.9 Million (equivalent to ₹ 990.00 per share).

In the event of liquidation of the Company, before redemption the holder of NCRPS will have priority over equity shares in the payment of dividend and repayment of capital. The preference shares carry fixed dividend which is non-discretionary.

Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, the Preference Shares issued by the Company classifies as Compound Financial Instrument. These preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised as interest expense using the effective interest method.

The equity component of convertible preference shares includes the securities premium amount received on issue of preference shares and the preference share capital, redemption premium reserve being created in compliance of the Companies Act, 2013.

c) Details of shareholders holding more than 5% shares in the Company

Equity Shares	**March 31, 2018**		March 31, 2017	
	No.	**% holding in the class**	No.	% holding in the class
Equity shares of ₹ 2 each fully paid				
i) Gautambhai Shantilal Adani and Rajeshbhai Shantilal Adani (on behalf of S.B. Adani Family Trust)	**87,73,17,807**	**42.36%**	87,73,17,807	42.36%
ii) Adani Tradeline LLP (Formerly, known as Parsa Kente Rail Infra LLP)	**14,05,12,153**	**6.78%**	14,05,12,153	6.78%
Non-Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up				
Gujarat Ports Infrastructure and Development Co. Limited	**3,09,213**	**11.00%**	3,09,213	11.00%
Priti G. Adani	**5,00,365**	**17.80%**	5,00,365	17.80%
Shilin R. Adani	**5,00,364**	**17.80%**	5,00,364	17.80%
Pushpa V. Adani	**5,00,365**	**17.80%**	5,00,365	17.80%
Ranjan V. Adani	**5,00,455**	**17.80%**	5,00,455	17.80%
Suvarna M. Adani	**5,00,275**	**17.80%**	5,00,275	17.80%
	28,11,037	**100.00%**	28,11,037	100.00%

13 Other Equity	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Equity Component of Non Cumulative Redeemable Preference shares		
Opening Balance	**1,658.8**	1,658.8
Closing Balance	**1,658.8**	1,658.8
Securities Premium		
Opening Balance	**25,357.0**	25,357.0
Share in Securities Premium of Joint Venture	**160.2**	-
Closing Balance	**25,517.2**	25,357.0

Note:- Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The same is available for utilisation in accordance with the provisions of the Companies Act, 2013.

General Reserve		
Opening Balance	**21,415.5**	16,232.2
Add- Transfer from Debenture Redemption Reserve	**1,193.2**	5,183.3
Closing Balance	**22,608.7**	21,415.5

Note:- The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

Debenture Redemption Reserve ("DRR")		
Opening Balance	**4,762.1**	6,388.8
Add: Transferred from Retained Earnings	**3,048.2**	3,556.6
Less: Transferred to General Reserve	**(1,193.2)**	(5,183.3)
Closing Balance	**6,617.1**	4,762.1

Note: The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. The DRR is created over the life of debentures out of retained earnings.

Tonnage Tax Reserve		
Opening Balance	**33.0**	-
Add: Transferred from Retained Earnings	**3,162.0**	33.0
Closing Balance	**3,195.0**	33.0

Note:- Subsidiary companies, The Adani Harbour Services Private Limited and Shanti Sagar International Dredging Private Limited have opted for Tonnage Tax Scheme u/s 115V of the Income Tax Act, 1961. Accordingly Section 115 VT of the Income Tax Act, 1961 requires the said companies to create Tonnage Tax Reserve and transfer the amount equivalent to 20% of the book profits of the said companies from retained earnings to Tonnage Tax Reserve and to be utilised only for the purpose as mentioned in the said Act.

Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	**(745.5)**	(2,624.5)
Add : Foreign exchange (loss)/gain during the year	**(79.2)**	627.0
Less : Amortised in statement of profit and loss	**453.4**	1,252.0
Closing Balance	**(371.3)**	(745.5)

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

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Retained Earnings		
Opening Balance	**117,224.2**	82,538.1
Add : Impact of Demerger (refer note 44)	**1,239.6**	-
Add : Profit attributable to equity holders of the parent	**36,736.2**	39,115.2
Less : Dividend on shares	**(2,692.2)**	-
Less : Dividend distribution tax paid (DDT)	**(548.1)**	-
Less : Transfer to Debenture Redemption reserve	**(3,048.2)**	(3,556.6)
Less : Transfer to Tonnage Tax Reserve	**(3,162.0)**	(33.0)
Less : Adjustment on account of acquisition of Non-controlling interest (refer note 31 (a))	**-**	(873.5)
Less: Impact of Demerger on Non-controlling interest	**64.6**	-
Add / (Less) : Remeasurement gains / (losses) on defined benefit plans (net of tax)	**5.9**	34.0
Closing Balance	**145,820.0**	117,224.2

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.

Other Comprehensive Income		
Foreign Currency translation reserve		
Opening Balance	**7.3**	7.3
Add/(Less):- Change during the year	**(7.4)**	-
Closing Balance	**(0.1)**	7.3

Note:- Exchange differences relating to translation of results and net assets of the group's foreign operations from their functional currencies to the group's presentation currency (i.e rupees) are recognised directly in other comprehensive income and accumulated in foreign currency translation reserve.

Equity instrument through other comprehensive income		
Opening Balance	**1,405.5**	1,355.3
Add : Change in fair value of FVTOCI Equity Investments (net of tax)	**95.5**	50.2
Closing Balance	**1,501.0**	1,405.5

Note:- This reserve represents the cumulative gains and losses arising on the revaluation of equity investments measured at fair value through other comprehensive income.

Total Other Equity	**206,546.4**	171,117.9

Distribution made and proposed	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Cash Dividend on equity share declared and paid		
Final Dividend for the year ended March 31, 2017 (₹ 1.30 per share)	**2,692.2**	-
Dividend Distribution Tax	**548.1**	-
	3,240.3	-
Proposed Dividend on Equity Shares		
Final Dividend for the year ended March 31, 2018 ₹ 2.00 per share (previous year ₹ 1.30 per share)	**4,141.9**	2,692.2
Dividend Distribution Tax	**851.4**	548.1
	4,993.3	3,240.3
Cash Dividend on Preference Shares declared and paid		
Dividend @ 0.01 % on Non-Cumulative Redeemable Preference Shares	**-***	-*
Dividend Distribution Tax	**-***	-*
Proposed Dividend on Preference Shares		
Dividend @ 0.01 % on Non-Cumulative Redeemable Preference Shares	**-***	-*
Dividend Distribution Tax	**-***	-*

-* Figure nullified in conversion of ₹ in Million

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax thereon).

14 Long Term Borrowings

	Non-current portion		Current portion	
	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Debentures				
2,520 (previous year 2,520) 9.35% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured. (Redeemable on July 04, 2026)	**2,512.5**	2,511.9	**-**	-
16,000 (previous year Nil) 7.65% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable ₹ 5,333.0 Million on October 31, 2025, ₹ 5,333.0 Million on October 31, 2026 and ₹ 5,334.0 Million on October 30, 2027)	**15,828.4**	-	**-**	-
10,000 (previous year 10,000) 8.22% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured. (Redeemable ₹ 3,333.0 Million on March 07, 2025, ₹ 3,333.0 Million on March 07, 2026 and ₹ 3,334.0 Million on March 08, 2027)	**10,000.0**	10,000.0	**-**	-
13,000 (previous year 13,000) 8.24% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured. (Redeemable ₹ 4,333.0 Million on November 29, 2024, ₹ 4,333.0 Million on November 29, 2025 and ₹ 4,334.0 Million on November 27, 2026)	**13,000.0**	13,000.0	**-**	-
2,000 (previous year 2,000) 9.35% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured. (Redeemable ₹ 1000 Million on May 26, 2023 and ₹ 1,000 Million on May 27, 2026)	**1,980.0**	1,977.9	**-**	-
4,940 (previous year 4,940) 10.50% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable at three annual equal instalments commencing from February 25, 2021)	**4,940.0**	4,940.0	**-**	**-**
400 (previous year 750) 10.50% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable in 4 quarterly equal instalments on December 27, 2020, March 27, 2021, June 27, 2021 and September 27, 2021).	**391.3**	386.8	**-**	350.0
9,000 (previous year 9,000) 9.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemable ₹ 7,500 Million on April 18, 2019 and ₹ 1500 Million on May 22, 2019)	**9,000.0**	9,000.0	**-**	**-**
5,000 (previous year 5,000) 9.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured. (Redeemable on April 10, 2019)	**4,983.4**	4,966.6	**-**	**-**
5,000 (previous year 5,000) 9.05% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured. (Redeemable ₹ 2,500 Million on June 18, 2018 and ₹ 2,500 Million on September 18, 2018)	**-**	4,988.7	**4,997.1**	-
200 (previous year 200) 10.50% Non Convertible Redeemable Debenture of ₹ 5,00,000 each (previous year ₹ 10,00,000 each) Secured (Redeemable in 2 quarterly equal instalments on June 27, 2018 and September 27, 2018).	**-**	100.0	**100.0**	100.0
Nil (previous year 1,106) 10.15% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemed on September 15, 2017)	**-**	-	**-**	1,106.0
Nil (previous year 2,111) 9.15% Non Convertible Redeemable Debenture of ₹ 10,00,000 each Secured (Redeemed on April 28, 2017).	**-**	-	**-**	2,111.0
Preference shares	**-**	-	**-**	-
Liability Component of Compound Financial Instrument - 0.01% Non Cumulative Redeemable Preference Shares (unsecured) (refer note 12(b))	**916.9**	841.2	**-**	-
Term loans	-	-	**-**	-
Foreign currency loans:	-	-	**-**	-
From banks (secured)	**9,143.4**	14,114.6	**1,537.3**	3,234.8
From banks (unsecured)	**10,398.7**	20,109.0	**-**	2,297.5
From Other financial institutions (secured)	**146.0**	285.6	**141.1**	135.6
3.50% Foreign Currency Bond priced at 195 basis points over the 5 years US Treasury Note (unsecured)	**42,363.8**	42,152.5	**-**	-
3.95% Foreign Currency Bond priced at 189 basis points over the 5 years US Treasury Note (unsecured)	**32,303.3**	32,075.6	**-**	-
4 % Foreign Currency Bond priced at 195 basis points over the 10 years US Treasury Note (unsecured)	**32,030.6**	-	-	-
Rupee loans:	**-**	-	**-**	-
From banks (secured)	**3,990.2**	4,588.1	**597.8**	248.1
From other financial institutions (unsecured)	**36.6**	-	**12.0**	-
From others (unsecured)	**38.8**	41.4	**-**	-

	Non-current portion		Current portion	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Foreign currency letters of credit				
From banks (secured)	**5,703.9**	5,545.1	**-**	6.0
From banks (unsecured)	**6,581.9**	8,307.4	**634.9**	-
	206,289.7	179,932.4	**8,020.2**	9,589.0
The above amount includes				
Secured borrowings	**81,619.1**	76,405.3	**7,373.3**	7,291.5
Unsecured borrowings	**124,670.6**	103,527.1	**646.9**	2,297.5
Amount disclosed under the head Current Financial Liabilities (refer note 15)	**-**	-	**(8,020.2)**	(9,589.0)
	206,289.7	179,932.4	**-**	-

Notes:

a) Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹ 20,903.4 Million (previous year ₹ 24,101.5 Million) which are secured by first Pari-passu charge on all the immovable and movable assets of Multi-purpose Terminal, Terminal-II and Container Terminal –II project assets.

b) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 491.3 Million (previous year ₹ 936.8 Million) which are secured by exclusive mortgage and charge on entire Single Point Mooring (SPM) facilities serving Indian Oil Corporation Limited - Mundra and the first charge over receivables from Indian Oil Corporation Limited.

c) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 17,509.6 Million (previous year ₹ 17,500.6 Million) which are secured by first pari-passu charge on all the movable and immovable assets pertaining to coal terminal project assets at Wandh.

d) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 13,000.0 Million (previous year ₹ 13,000.0 Million) which are secured by first pari-passu charge on specified assets of certain subsidiary companies' arrangements as per Debenture Trust Deed.

e) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 15,828.4 Million (previous year ₹ Nil) which are secured by first pari-passu charge on specified assets of one of the subsidiary companies' arrangements as per Debenture Trust Deed.

f) Foreign currency loan aggregating to ₹ 1606.6 Million (previous year ₹ 1,683.8 Million) carries interest @ 6 months Euribor plus 95 basis points . The above loan is repayable in 9 Semi-annual instalment of ₹ 178.5 Million from the balance sheet date. The loan is secured by exclusive charge on the Dredgers procured under the facility.

g) Foreign currency loans aggregating to ₹ 700.4 Million (previous year ₹ 751.3 Million) carries interest @ 6 months Euribor plus 75 basis point. The loan is repayable in 8 semi annually equal instalments of approx. ₹ 87.9 Million from the balance sheet date. The loan is secured by exclusive charge on the Cranes purchased under the facility.

h) Foreign Currency Loan aggregating to ₹ Nil (previous year ₹ 8,782.2) carried interest @ 6 month Libor plus 180 basis point. This loan was secured by first pari-passu charge on all the immovable and movable assets of Multi-purpose Terminal, Terminal-II and Container Terminal-II project assets. The said loan was repaid during the year.

i) Foreign currency letters of credit aggregating to ₹ 5,703.9 Million (previous year ₹ 5,551.1 Million) carries interest @ 3 to 6 months Libor plus basis point in range of 21 to 46. Loan of ₹ 5,703.9 Million (previous year ₹ 5,551.1 Million) payable on maturity in 2019-20 and 2020-21. The loan was secured against exclusive charge on assets purchased under the facility.

j) Unsecured Loan

(i) 5 years Foreign Currency Bond of USD 650 million equivalent to ₹ 42,363.8 Million (previous year ₹ 42,152.5 Million) carries interest rate at 3.50 % p.a. with bullet repayment in the year 2020.

(ii) 5 years Foreign Currency Bond of USD 500 million equivalent to ₹ 32,303.3 Million (previous year ₹ 32,075.6 Million) carries interest rate at 3.95% p.a. with bullet repayment in the year 2022.

(iii) 10 years Foreign Currency Bond of USD 500 million equivalent to ₹ 32,030.6 Million (previous year ₹ Nil) carries interest rate at 4.00% p.a. with bullet repayment in the year 2027.

(iv) Foreign Currency loan of ₹ Nil (previous year ₹ 2,269.8 Million) carried interest basis overnight Libor plus 120 basis point repaid during the year 2017-18.

(v) Foreign Currency Loan aggregating to ₹ 10,398.7 Million (previous year ₹ 10,346.8 Million) carries interest at 2.85% fixed for 18 months and than after 6 months Libor plus 2.2%. is repayable in the year 2021.

(vi) Foreign Currency Loan aggregating to ₹ Nil (previous year ₹ 123.1 Million) carried interest at 2.12 % p.a. The said loan was repaid during the year.

(vii) Foreign currency letters of credit aggregating to ₹ 234.2 Million (previous year ₹ 314.7 Million) carries interest at 6 months Libor plus basis point in range of 21 to 51 and 12 months Euribor plus 75 basis points. ₹ 234.2 Million payable on maturity from 2019-20 to 2020-21.

(viii) Foreign currency loan aggregating to ₹ Nil (previous year ₹ 4,834.5 Million) carried interest @ 6 months Libor plus 204 basis point .The loan was repaid during the year 2017-18.

(ix) Foreign currency loan aggregating to ₹ Nil (previous year ₹ 4,832.3 Million) carried interest @ 3 months Libor plus 200 basis point. The loan was repaid during the year 2017-18.

(x) Rupee Term Loan aggregating to ₹ 48.6 Million (previous year ₹ Nil) carries interest ranging from 4.70 % p.a. to 7.95 % p.a. repayment beginning from May 2018 and having last repayment date on November 2021.

k) **Term loan taken by the subsidiaries includes:**

i) Loans from bank including foreign currency term loan amounting of ₹ Nil (previous year ₹ 1,567.9 Million) are taken by Adani Petronet (Dahej) Port Private Limited and are secured on pari passu basis by first mortgage 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. Foreign currency loans carries interest in the range of Libor plus 285 to 295 basis point and is repayable in 38 to 40 quarterly instalments each along with interest. The said loan was repaid during the year.

The company has suppliers bills accepted under foreign currency letter of credit amounting to ₹ 11.1 Million (previous year ₹ 47.3 Million). Suppliers bills accepted under foreign currency letter of credit carries interest Euribor plus 28 basis points and repayable in the year 2020-21. This facility is availed out of the facility sanctioned to the Company.

ii) Foreign currency loans from banks amounting to ₹ Nil (previous year ₹ 254.4 Million) taken by Adani Logistics Limited are secured by equitable mortgage of immovable properties of the Company and first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, revenues and receivable of the Company. The loan carries interest at 6M plus 325 basis point. The Loans are repayable in 36 quarterly installments and the same have been repaid in current year.

The company has suppliers bills accepted under foreign currency letter of credit amounting to ₹ NIL (previous year ₹ 11.0 Million) carries interest @ Euribor + 45 basis points and the same have been repaid during the current year. This facility is availed out of the facility sanctioned to the Company.

iii) Foreign currency term loans from financial institutions amounting to ₹ 287.1 Million (previous year ₹ 421.2 Million) taken by Karnavati Aviation Private Limited carries interest @ Libor plus 253 basis point. The Loan is repayable in 20 Half yearly instalments along with interest beginning from April 27, 2010. The loan is secured by hypothecation of Aircraft Challenger 605.

Foreign currency term loans from banks amounting to ₹ 964.8 Million (previous year ₹ 1,130.1 Million) taken by Karnavati Aviation Private Limited carries interest @ Libor plus 175 basis point. The Loan is repayable in 28 Quarterly instalments along with interest beginning from May 30, 2013. The loan is secured by hypothecation of Aircraft Legacy 650.

iv) Suppliers bills accepted under foreign currency letter of credit of Adani Hazira Port Private Limited amounting to ₹ 894.4 Million (previous year ₹ 2,551.5 Million). Suppliers bills accepted under foreign currency letter of credit carries interest in the range of Libor plus 0.21% to 0.51% which is repayable on maturity. This facility is availed in current year is out of the facility sanctioned to the Company.

v) Foreign currency letter of credit of Adani Kattupalli Port Private Limited amounting to ₹ 33.4 Million (previous year ₹ NIL). Suppliers bills accepted under foreign currency letter of credit carries nil interest and is repayable by April 19, 2018. This facility is availed in current year out of the facility sanctioned to the Company.

vi) Foreign currency letters of credit of Adani Vizag Coal Terminal Private Limited aggregating of ₹ 601.5 Million (previous year ₹ 515.8 Million) carries interest of 3 Months Euribor 50 basis point. This facility is availed out of the facility sanctioned to the Company.

vii) Loans from banks taken by The Dhamra Port Company Limited includes secured rupee term loan from banks amounting to ₹ 4,586.0 Million (previous year ₹ 4,833.2 Million) payable in 24 quarterly instalments starting from June 2016 to March 2022 carries interest @ 9.25% p.a. The loan is secured by a first pari passu charge on all immovable Property, Plant and Equipments (including lease hold properties), movable fixed assets, non-current assets & current assets (including book debts, operating cash flows, receivables, revenue), intangible assets, pertaining to the existing project capacity both present & future.

Secured foreign currency loans from banks amounting to ₹ Nil (previous year ₹ 3,179.6 Million). The same carries interest @ LIBOR plus 2.30 % payable in 32 quarterly instalments starting from June 2018 to March 2026 and the same have been repaid in current year.

Foreign currency letters of credit amounting to ₹ 1,519.6 Million (previous year ₹ 1,512.0 Million). The loan is unsecured and carries interest @ LIBOR plus 20 basis point. The loan is repayable after 90 days from the bill of lading date and renewable thereafter. This facility is availed out of the facility sanctioned to the Company.

Foreign Currency Loans & Rupee Term Loan are secured by a first pari passu charge on all immovable property, plant & equipments (including lease hold properties), movable property, plant & equipments, current assets (including book debts, operating cash flows, receivables, revenue), intangible assets, pertaining to the existing project capacity both present & future. Also secured by first pari-passu charge on new assets by way of utilization of the proceeds of loan and all bank accounts including (Trust & Retention Account and Debt Service Account) and also secured by pledge of shares representing 30% of the total equity paid up capital. Foreign Currency Term loan prepaid during the year however, release of charge is pending at the end of Year.

viii) Foreign currency letters of credit of Adani Kandla Bulk Terminal Private Limited aggregating of ₹ Nil (previous year ₹ 101.2 Million). The same carried interest in the range of 12M EURIBOR plus 30 basis point as well as 12M Libor plus 13 basis point and the same have been repaid during current year. This facility was availed out of the facility sanctioned to the Company.

ix) Foreign currency letters of credit by Adani Ennore Container Terminal Private Limited aggregating to ₹ 3,922.6 Million (previous year ₹ 3253.9 Million). The loan carries interest @ 6 Months Euribor plus basis points in the range of 25 to 40 and @ 6 Months Libor plus basis points in the range of 20 to 30 and is secured against corporate guarantee given by holding company.

x) Term Loan from Banks taken by MPSEZ Utilities Private Limited aggregating to ₹ 2.0 Million (previous year ₹ 3.0 Million) are secured by way of hypothecation of Plant and Machinery of Company's transmission & distribution Business. The loan carries interest rate of Base Rate + 1% and is repayable in equal quarterly instalment after moratorium of 3 months. The tenure of loan is upto March 31, 2020.

xi) Loan taken by Adinath Polyfills Private Limited aggregating to ₹ 38.8 Million (previous year ₹ 37.2 Million) from its related parties. The same carries interest @ 6 % p.a. and is unsecured.

xii) Loan taken by Abbot Point Operations Pty Limited aggregating to AUD Nil (Previous year AUD 0.085 Mn) from its related parties and the loan is unsecured, interest free and repaid during the current year.

xiii) Term Loan from Banks taken by Shanti Sagar International Dredging Private Limited aggregating to ₹ 7408.9 Million (previous year ₹ Nil) are secured by way of first ranking exclusive charge over the assets of company committed under agreement, Charge on assets has been created through agreement in favor of Axis Trustee Service Limited acting on behalf of all the lenders.. The same carries interest in the range of 6 month Euribor Zero plus 50 basis points. The loans are repayable 6 monthly in 20 equal installments commencing from 16th May, 2018.

15 Other Financial Liabilities

	Non-current portion		Current portion	
	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Current maturities of long term borrowings (refer note 14)	**-**	-	**8,020.2**	9,589.0
Derivative Instruments	**724.9**	559.6	**406.4**	538.5
Capital creditors, retention money (Includes outstanding due to MSME creditors ₹ 0.2 Million previous year ₹ 2.0 Million) (refer note 47)	**13.4**	53.5	**7,630.4**	6,782.6
Other payables (including discounts etc.)	**-**	-	**1,515.8**	742.4
Obligations under lease land (refer note (a) below)	**68.5**	69.9	**1.3**	0.1
Unpaid Dividends #	**-**	-	**8.8**	8.2
Interest accrued but not due on borrowings	**222.1**	67.6	**3,128.5**	2,592.1
Deposit from Customer	**34.4**	54.4	**182.9**	104.3
Financial Guarantees given	**27.1**	125.3	**43.7**	-
	1,090.4	930.3	**20,938.0**	20,357.2

Not due for credit to "Investors Education & Protection Fund"

Notes:

(a) Assets taken under Finance Leases – land for purposes of developing, constructing, operating and maintaining the Mundra Port and related infrastructure for providing services to the users in accordance with the terms of the concession agreement with Gujarat Maritime Board (GMB). The lease rent is subject to revision every three years on April 01st by 20% of the previous amount. The lease rent terms are for the period of 30 years and are renewable accordingly with extension or renewal of the concession agreement. The lease agreement entered is non-cancellable till the termination or expiry of the concession agreement. There is no contingent rent, no sub-leases restrictions imposed by the lease arrangements. Expenses of ₹ 5.9 Million (previous year ₹ 5.9 Million) incurred under such lease have been expensed in the statement of profit and loss.

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

₹ In Million

Particulars	Within one year	After one year but not later than five years	More than five years	Total minimum lease payments	Less: Amounts representing finance charges	Present value of minimum lease payments
March 31, 2018						
Minimum Lease Payments	7.1	31.3	83.4	121.8	(52.0)	69.8
Finance charge allocated to future periods	5.8	21.7	24.5	52.0	-	-
Present Value of MLP	1.3	9.6	58.9	69.8	-	69.8
March 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**
Minimum Lease Payments	5.9	29.9	92.0	127.8	(57.8)	70.0
Finance charge allocated to future periods	5.8	22.4	29.6	57.8	-	-
Present Value of MLP	0.1	7.5	62.4	70.0	-	70.0

(b) **Disclosure with regards to Amendments to Ind AS 7 Statement of Cash Flows**

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

₹ In Million

Particulars	April 1, 2017	Cash Flows	Foreign Exchange Movement	Change in fair value	Other Adjustment	March 31, 2018
Long-term Borrowings (including current maturities of long term debt)	189,521.4	24,038.1	1,530.4	(780.0)	-	214,309.9
Short-term borrowing (including bills discounting)	32,621.2	(26,032.2)	19.2	685.8	437.7	7,731.7
Interest accrued but not due	2,659.7	(11,639.5)	142.0	(385.1)	12,573.5	3,350.6
Unpaid Dividend on Equity and Preference Shares (including dividend distribution tax)	8.2	(3,239.7)	-	-	3,240.3	8.8
Derivative Contract	699.0	(2,017.0)	-	-	2,380.2	1,062.2
Total	**225,509.5**	**(18,890.3)**	**1,691.6**	**(479.3)**	**18,631.7**	**226,463.2**

16 Other Liabilities

	Non-current portion		Current portion	
	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Advance from customers	**3.5**	105.1	**2,211.6**	3,128.7
Deposit from customers	**-**	-	**143.1**	155.4
Statutory liability	**-**	-	**915.1**	615.3
Unearned Income under long term land lease/ Infrastructure usage agreements	**7,525.3**	6,872.3	**607.8**	503.9
Deferred Income on fair valuation of Deposit taken	**13.7**	14.8	**-**	-
Deferred Government Grant (refer note (i) below)	**4,532.6**	3,272.5	**104.3**	93.6
Deferred Revenue for Service Line Contributions	**202.3**	244.9	**-**	-
Unearned revenue	**-**	-	**626.3**	715.9
	12,277.4	10,509.6	**4,608.2**	5,212.8

Note:-

(i) Movement in Deferred Government Grant	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Opening Balance	**3,366.1**	1,644.9
Add : Addition during the year	**1,356.5**	1,803.4
Less: Amortisation during the year	**(85.7)**	(82.2)
Closing Balance	**4,636.9**	3,366.1

17 Short Term Borrowings

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Short term borrowings from banks under suppliers credit (Secured)	**11.7**	24.7
Commercial paper (Unsecured)	**-**	25,314.2
	11.7	25,338.9
Customers' Bills Discounted (Unsecured) (refer note 5 (c))	**7,720.0**	7,282.3
	7,731.7	32,621.2

Notes:

a) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ Nil (previous year ₹ 24.7 Million) carried interest at 1 to 12 months Libor plus basis point in range of 15 to 75 and 6 to 12 Months Euribor plus basis point in range of 38 to 40. The loan was repaid on maturity during the year. The loan was secured against material purchased under the facilities.

b) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ 11.7 Million (previous year ₹ Nil) carries interest at 6 Months Euribor plus 28 basis point. Subservient charge on movable fixed assets and current assets of the Company, except those secured by exclusive charge in favour of other lenders.

c) Commercial Paper (CP) aggregating ₹ Nil (previous year ₹ 25,314.2 Million) carried interest rate in range of 6.75 % to 10 % p.a. The CP had maturity period of 1 to 9 months and matured during the year.

d) Factored receivables of ₹ 7,720.0 Million (previous year ₹ 7,282.3 Million) have recourse to the Company and interest liability on amount of bill discounted is borne by the customer. The maturity period of the transfer is 1 to 12 months period..

18 Trade and Other Payables

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Payables to micro, small and medium enterprises (refer note 47)	**0.7**	3.6
Other trade payables	**4,896.6**	4,553.0
	4,897.3	4,556.6
Dues to related parties included in above (refer note 32)	**34.29**	57.76

19 Provisions

	Non-current portion		Current portion	
	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Provision for Employee Benefits				
Provision for gratuity (refer note 29)	**2.1**	39.1	**25.3**	6.4
Provision for compensated absences	**40.1**	71.0	**620.2**	561.2
	42.2	110.1	**645.5**	567.6
Other Provisions	**-**	-	**-**	-
Provision for operational claims (refer note (a) below)	**-**	-	**336.7**	304.6
	42.2	110.1	**982.2**	872.2

Note (a):	**March 31, 2018 ₹ In Million**	March 31, 2017 ₹ In Million
Opening Balance	**304.6**	358.0
Add/(Less) : Change during the year	**32.1**	(53.4)
Closing Balance	**336.7**	**304.6**

Operational Claims are the expected claims against outstanding receivables made/to be made by the customers towards shortages of stock, handling losses, damages to the cargo, storage and other disputes. The probability and the timing of the outflow/adjustment with regard to above depends on the ultimate settlement / conclusion with the respective customer.

20 Revenue from Operations

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Income from Port Operations (Including Port Infrastructure Services) (refer note (b) below)	**73,302.5**	70,502.0
Income from Development of Container Infrastructure (refer note 46)	**22,021.7**	-
Land Lease, Upfront Premium and Deferred Infrastructure Income (refer note (a), (c) and (d) below)	**5,915.3**	3,136.5
Utilities Services	**955.7**	494.6
Aircraft Operations	**82.1**	121.2
Logistics Services	**7,331.6**	6,428.7
Other operating income including construction, Infrastructure development support services, export incentives and related income	**3,620.7**	3,710.5
	113,229.6	84,393.5

Notes:

a) Land Lease Income includes annual income of ₹ 520.1 Million(previous Year ₹ 437.7 Million) in respect of land finance lease transaction.

b) Income from Port Operations includes income of ₹ Nil (previous year ₹ 1,927.0 Million) towards project related advisory services rendered for the development of Container Terminal Project at Mundra. The income has been recognised based on completion of performance obligation as per the arrangement / agreement entered between the Company, Joint venture entity and the Service Provider. The Container Terminal facilities are developed in Joint venture entity.

c) Assets given under Finance Leases – The Company has given land on finance lease to various parties. All leases include a clause to enable upward revision of the rental charge every three to five years by 10% to 20%. These leases have terms of between 14 and 50 years. The lease agreements entered are non-cancellable. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. The company has also received one-time income of upfront premium ranging from ₹ 625 to ₹ 5,273 per Sq mtr for use of common infrastructure by the parties. Such one-time income of upfront premium is non-refundable. Income of ₹ 5,376.7 Million (previous year ₹ 2,674.5 Million) including upfront premium of ₹ 2,963.3 Million (previous year ₹ 1,934.6 Million) accrued under such lease have been booked as income in the consolidated statement of profit and loss.

Future minimum lease receivables under finance leases together with the present value of the net minimum lease payments receivable ("MLPR") are as follows:

₹ in Million

Particulars	**March 31, 2018**		March 31, 2017	
	Gross Investment in	**Present Value of MLPR**	Gross Investment in the Lease	Present Value of MLPR
Within One Year	**460.7**	**425.9**	366.2	329.0
After one year but not later than five years	**2,676.5**	**2,025.6**	1,711.5	1,273.1
More than five years	**26,817.2**	**6,833.0**	16,833.2	4,351.8
Total minimum lease receivables	**29,954.4**	**9,284.5**	18,910.9	5,953.9
Less: Amounts representing finance charges	**(20,669.9)**	**-**	(12,957.0)	-
Present value of minimum lease receivables	**9,284.5**	**9,284.5**	5,953.9	5,953.9

d) Assets given on operating lease

The Company has given certain land portions on operating lease. These lease arrangements range for a period between 5 to 60 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable at the Balance Sheet date is as under:

₹ in Million

Particulars	**March 31, 2018**	March 31, 2017
For a period not later than one year	**351.7**	468.4
For a period later than one year and not later than five years	**806.1**	950.8
For a period later than five years	**2,666.4**	2,873.5
	3,824.2	4,292.7

21 Other Income

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Interest income on		
Bank Deposits, Inter Corporate Deposits etc.	**8,286.8**	8,201.5
Customer dues	**724.0**	472.3
Dividend income on Long-term Investments	**40.0**	22.0
Net Gain on Sale of Current Investments (Mutual Funds)	**346.4**	373.4
Net Gain on Sale of Non-Current Investment	**-**	29.9
Scrap Sales	**137.3**	79.3
Unclaimed liabilities / excess provision written back	**19.3**	67.8
Financial Guarantee	**43.7**	88.2
Amortisation of Government Grant (refer note 16 (i))	**85.7**	82.2
Miscellaneous Contractual Income (Including equipment hire charges)	**-**	560.6
Miscellaneous Income	**426.1**	423.9
	10,109.3	10,401.1

22 Operating Expenses

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Cargo handling / other charges to contractors	**9,699.4**	7,811.2
Container Infrastructure Development Expenditure (refer note 46)	**7,496.5**	-
Purchase of Traded Goods	**1,298.7**	1,110.2
Customer Claims	**0.4**	63.4
Port Management Fees	**-**	991.4
Railway's Service Charges (Net)	**5,199.7**	4,174.7
Tug and Pilotage Charges	**348.7**	528.3
Maintenance Dredging	**82.1**	298.4
Repairs to Plant & Equipment	**505.4**	268.7
Stores, Spares and Consumables	**1,741.7**	1,234.4
Repairs to Buildings	**100.7**	105.7
Power & Fuel (net of credit from Wind Power Generation ₹ 75.2 Million (previous year ₹ Nil))	**2,162.9**	1,900.4
Waterfront Charges	**1,996.2**	2,030.2
Cost of Land transferred under Finance Lease	**119.6**	18.4
Cargo Freight and Transportation Expenses	**1,409.3**	993.9
Aircraft Operating Expenses	**103.4**	120.7
Other expenses including Customs Establishment charges	**53.6**	28.9
	32,318.3	21,678.9

23 Employee Benefits Expense

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Salaries, Wages and Bonus	**4,112.5**	3,419.4
Contribution to Provident & Other Funds	**125.6**	126.0
Gratuity Expense (refer note 29)	**40.9**	58.0
Staff Welfare Expenses	**194.2**	228.0
	4,473.2	3,831.4

24 Finance Costs

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
a) Interest and Bank Charges		
Interest on		
Debentures and Bonds	**9,352.3**	6,472.0
Fixed Loans, Buyer's Credit, Short Term etc.	**2,613.7**	5,396.8
Others	**10.9**	170.8
Bank and other Finance Charges	**596.6**	772.8
	12,573.5	12,812.4
b) Loss on Derivatives / Swap Contracts (net)	**2,380.2**	1,119.4
	14,953.7	13,931.8

25 Other Expenses

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Rent Expenses (refer note (a) and (b) below)	**315.4**	309.3
Rates and Taxes	**52.9**	101.3
Insurance	**341.7**	241.5
Advertisement and Publicity	**173.7**	153.9
Other Repairs and Maintenance	**502.5**	449.0
Legal and Professional Expenses	**884.3**	708.4
Corporate Support Service Fees	**355.8**	443.7
IT Support Services	**158.7**	107.7
Security Services Charges	**20.7**	72.9
Communication Expenses	**147.6**	117.5
Electric Power Expenses	**35.0**	43.6
Travelling and Conveyance	**396.4**	260.6
Directors Sitting Fee	**3.5**	4.2
Commission to Non-executive Directors	**4.8**	4.8
Charity and Donations (refer note (c) below)	**741.8**	594.4
Allowances for Doubtful Advance and Deposits	**-**	105.9
Diminution in value of capital inventories	**3.0**	211.5
Loss on Sale/Discard of Property, Plant and Equipment (net)	**112.6**	35.4
Miscellaneous Expenses	**733.6**	770.7
	4,984.0	**4,736.3**

Notes:

a) Assets taken under Operating Leases –

An office space and residential houses for staff accommodation are generally obtained on operating leases except that stated under note (b) below. The lease rent terms are generally for an eleven months period and are renewable by mutual agreement. There are no sub-leases and leases which are cancellable in nature except that mentioned under note (b) below. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements and there is no escalation clause in the lease agreements except that mentioned under note (b) below. Expenses of ₹ 42.1 Million (previous year ₹ 42.4 Million) incurred under such leases have been expensed in the statement of profit and loss.

b) Assets taken under Operating Leases –

An office premises have been taken on operating leases. The lease rent terms are for the period of 15 years and are renewable by mutual consent. The Company has given deposit of ₹ 1,000 Million as per the terms in one of the lease transaction. The lease agreement entered is non-cancellable for the period of first 3 years of the lease agreement. As per the lease agreement lease rental is escalated by 10% at every 5 years. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. Expenses of ₹ 0.5 Million (previous year ₹ 1.0 Million) incurred under such lease have been expensed in the statement of profit and loss.

Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	**278.0**	201.5
Later than one year and not later than five years	**1,066.5**	823.9
Later than five years	**4,765.3**	3,665.8

c) Details of Expenditure on Corporate Social Responsibilities

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

(i) Gross Amount required to spent during the year is ₹ 711.3 Million (previous year ₹ 545.0 Million).

(ii) Amount spent during the year ended ₹ In Million

Particulars	In Cash	Yet to be paid in cash	Total
March 31, 2018			
Construction/acquisition of any asset	**-**	**-**	**-**
On purposes other than above	**712.1**	**-**	**712.1**
Total	**712.1**	**-**	**712.1**
March 31, 2017			
Construction/acquisition of any asset	84.0	-	84.0
On purposes other than above	464.0	-	464.0
Total	548.0	-	548.0

26 Income Tax

The major component of income tax expenses for the year ended March 31, 2018 and March 31, 2017 are as under :-

(i) Tax Expense reported in the Consolidated Statement of Profit and Loss

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Current Income Tax		
Current Tax Charges	**15,463.9**	8,817.2
Tax(credit) under Minimum Alternative Tax	**(950.4)**	(7,704.2)
Deferred Tax	-	-
Relating to origination and reversal of temporary differences	**928.3**	1,753.3
	-	-
	15,441.8	2,866.3

Note:- The Company was availing tax holiday under section 80IAB of Income tax Act, 1961 till March 31, 2017 and w.e.f. April 01, 2017 the Company is subjected to normal tax regime. Hence the tax expense for the current year ended is not comparable with the amounts of previous year.

Tax on Other Comprehensive Income ('OCI')

Deferred tax related to items recognised in OCI during the year		
Tax impact on re-measurement gains/(losses) on defined benefit plans	**2.8**	16.1
Tax impact on net Gains on FVTOCI Equity Investments	**17.4**	(0.3)
	20.2	15.8

(ii) Balance Sheet Section

	March 31, 2018	March 31, 2017
	₹ In Million	₹ In Million
Taxes recoverable (net) (refer note 8)	**1,873.9**	660.1
Liabilities for Current Tax (net)	**(1,286.2)**	(1,939.1)
	587.7	**(1,279.0)**

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

(iii) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017

	March 31, 2018		March 31, 2017	
	%	**₹ In Million**	%	₹ In Million
Accounting profit before Income tax		**52,341.3**		41,788.7
At India's Statutory income tax rate (34.608%)	**34.61**	**18,114.3**	34.61	14,462.2
Add /(Less) Tax effect of:-				
Expenses not allowable under Tax Law	**1.22**	**639.8**	0.62	261.1
Deduction under chapter VI-A	**(2.94)**	**(1,541.2)**	(22.95)	(9,591.0)
Credit recognition of previous period tax losses	**(0.87)**	**(455.5)**	(4.82)	(2,015.5)
Income charged as per special provision of Income Tax Act, 1961	**(4.64)**	**(2,427.4)**	-	-
Income that is exempt from tax	**(0.11)**	**(55.6)**	-	-
Tax Credit on Unrealised Profit eliminated	**-**	**-**	0.02	6.6
Adjustment in respect of previous years	**0.64**	**337.1**	-	-
MAT Credit of previous period (recognised)/derecognised	**0.76**	**395.3**	(2.65)	(1,108.8)
Deferred tax balances due to the change in income tax rate	**0.09**	**48.5**	-	-
Unused tax losses and tax offsets not recognised as deferred tax assets	**2.19**	**1,148.2**	1.34	558.6
Subsidiaries' charged at different tax rates	**(0.86)**	**(451.9)**	-	-
Others	**(0.59)**	**(309.8)**	0.70	293.1
Income tax reported in Statement of Profit and Loss	**29.50**	**15,441.8**	6.86	2,866.3

(iv) Deferred Tax Liability (net)

	Balance Sheet as at		**Statement of Profit and Loss**	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
(Liability) on Accelerated depreciation for tax purpose	**(17,567.5)***	(16,160.5)	**(2,423.6)**	(962.7)
Asset/(Liability) recognised due to scheme of arrangement (refer note 40)	**78.4**	-	**-**	-
Assets on Provision for Employee Benefits	**49.5**	40.2	**9.3**	40.2
Assets / (Liability) on other temporary differences	**26.0**	283.0	**(255.4)**	(1,129.2)
Assets on unrealised intra-group profit	**2,218.2**	1,719.5	**498.7**	240.6
Assets on account of unabsorbed losses/depreciation	**4,910.2**	3,635.5	**1,274.7**	218.3
Assets on Bond issue expenses amortization	**96.9**	137.1	**(40.2)**	137.1
(Liability) on Preference Share debt component	**(655.5)**	(681.7)	**26.2**	24.0
Assets on fair valuation of Corporate and Bank Guarantee	**9.5**	30.4	**(20.9)**	(306.1)
(Liability) on Deemed Investments	**(56.1)**	(56.1)	**-**	**-**
(Liability) on equity investment FVTOCI	**(265.4)**	(248.1)	**(17.3)**	0.3
	(11,155.8)	(11,300.7)	**(948.5)**	(1,737.5)

* Net deferred tax liabilities after effect of deferred tax amounting to ₹ 1,016.6 Million on demerger of marine business (refer note 44).

(v) Deferred Tax reflected in the Balance Sheet as follows

	March 31, 2018	March 31, 2017
	₹ In Million	₹ In Million
Deferred Tax Assets (net)	**13,105.4**	19,915.6
Deferred Tax Liabilities (net)	**(1,424.0)**	(2,157.1)
	11,681.4	17,758.5
	-	-
Component of Deferred Tax Assets / (Liabilities)	**-**	-
Tax Credit Entitlement under MAT	**22,837.2**	29,059.2
Less :Deferred tax liabilities (net)	**(11,155.8)**	(11,300.7)
	11,681.4	17,758.5

(vi) Reconciliation of Deferred tax liabilities (net)

	March 31, 2018	March 31, 2017
	₹ In Million	₹ In Million
Tax expenses during the period recognised in Statement of Profit and Loss	**928.3**	1,753.3
Tax expenses during the period recognised in OCI	**20.2**	-15.8
	948.5	1,737.5

MAT credit of ₹ 1,345.7 Million (previous year ₹ 1,991.3 Million) has been recognised in subsidiary entities Adani Petronet (Dahej) Port Private Limited, MPSEZ Utilities Private Limited, Adani Kattupalli Port Private Limited, Adani Logistics Limited, Adani Hospitals Mundra Private Limited, Adani Hazira Port Private Limited and The Dhamra Port Company Limited.

(vii) The Group has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recognised in the Balance Sheet

Financial Year	Amount (₹ in Million)	Expiry Date
2010-11	0.7	2025-26
2012-13	1,228.1	2027-28
2013-14	4,458.5	2028-29
2014-15	4,751.8	2029-30
2015-16	6,949.3	2030-31
2016-17	4,103.1	2031-32
2017-18	1,345.7	2032-33
Total	**22,837.2**	

(viii) Certain subsidiary companies has carried forward unabsorbed depreciation aggregating ₹ 9,036.9 Million (Previous year ₹ 8,115.5 Million) under the Income Tax Act,1961 for which there is no expiry date of its tax credit utilisation by the respective entities. Further certain subsidiary companies have carried forward losses aggregating ₹ 4,820.5 Million (previous year ₹ 3,939.6 Million) 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 year 2020-21 to 2025-26.
Deferred tax assets has not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by ₹ 4,758.6 Million.

(ix) During the year ended March 31, 2018, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to other equity.

27 Earnings Per Share (EPS)

	March 31, 2018 ₹ In Million	March 31, 2017 ₹ In Million
Profit after tax	**36,736.2**	39,115.2
Less : Dividends on Non-Cumulative Redeemable Preference Shares and tax thereon	-*	-*
Net profit for calculation of basic and diluted EPS	**36,736.2**	**39,115.2**
-* Figures being nullified on conversion to ₹ in Million		
	No.	No.
Weighted average number of equity shares in calculating basic and diluted EPS	**2,070,951,761**	2,070,951,761
Basic and Diluted Earnings per Share (in ₹)	**17.74**	18.89

(This space has been left intentionally blank)

28 Disclosure pursuant of Ind AS 11 Construction Contracts are as under

₹ in Million

Particulars	March 31, 2018	March 31, 2017
a) Contract revenue recognized during the year	Nil	182.4
b) Disclosure for Contract in Progress		-
(i) Aggregate amount of contract costs incurred up to date		63.7
(ii) Recognised Profit (Less recognised losses)		118.7
(iii) Customer advances outstanding		-
(iv) Retention money due from customers		-
c) Amount due from customers		89.4
d) Amount due to customers		5.9

29 Disclosures as required by Ind AS - 19 Employee Benefits

a) The Group has recognised, in the Consolidated Statement of Profit and Loss for the current year, an amount of ₹ 128.1 Million (Previous Year ₹ 128.7 Million) as expenses under the following defined contribution plan.

₹ in Million

Contribution to	2017-18	2016-17
Provident Fund	**125.6**	126.0
Superannuation Fund	**2.5**	2.7
Total	**128.1**	128.7

b) The Group has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Companies 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 asset-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 summarises the component of the net benefits expense recognised in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plan.

Gratuity

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

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Present value of the defined benefit obligation at the beginning of the year	**243.0**	239.9
Current service cost	**40.5**	49.3
Past Service Cost	**-**	-
Interest cost	**18.6**	19.2
Actuarial (gain) / loss arising from and including OCI:	**-**	-
- change in demographic assumptions	**-**	-
- change in financial assumptions	**(6.3)**	(57.8)
- experience variance	**(2.6)**	12.0
Benefits paid	**(18.9)**	(17.7)
Liability Transfer In	**13.5**	14.9
Liability Transfer Out	**(16.6)**	(16.8)
Present value of the defined benefit obligation at the end of the year	**271.2**	243.0

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

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Fair value of plan assets at the beginning of the year	**221.5**	130.3
Investment income	**17.0**	10.3
Contributions by employer	**35.6**	80.2
Benefits paid	**(2.4)**	(3.5)
Return on plan assets , excluding amount recognised in net interest expense	**(0.2)**	4.0
Acquisition Adjustment	**-**	0.2
Fair value of plan assets at the end of the year	**271.5**	221.5

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

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Present value of the defined benefit obligation at the end of the year	**271.2**	243.0
Fair value of plan assets at the end of the year	**271.5**	221.5
Amount recognised in the balance sheet	**0.3**	(21.5)
Net asset - Current	**27.7**	24.0
Net liability - Current	**(25.3)**	(6.4)
Net liability - Non-current	**(2.1)**	(39.1)

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

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Current service cost	**40.5**	49.3
Interest cost on benefit obligation	**1.8**	8.7
Amount capitalised	**(1.4)**	-
Total Expense included in employee benefits expense	**40.9**	58.0

v) Recognised in the other comprehensive income for the year

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Actuarial (gain)/losses arising from	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(6.4)	(56.7)
- experience variance	(2.5)	10.6
Return on plan assets, excluding amount recognised in net interest expense	0.2	(4.0)
Recognised in other comprehensive income	(8.7)	(50.1)

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

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.80%	7.60%
Rate of escalation in salary (per annum)	7.00%	7.00%
Mortality	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Attrition rate	10% for 5 years & below and 1% thereafter	10% for 5 years & below and 1% thereafter

The estimates of future salary increases, considered in actuarial valuation, takes into account 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.

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

Particulars	March 31, 2018	March 31, 2017
Investments with insurer	100%	100%

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

viii) 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, 2018		March 31, 2017	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	(29.0)	34.5	32.5	(27.2)

Particulars	March 31, 2018		March 31, 2017	
Assumptions	Salary Growth rate		Salary Growth rate	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	34.4	(29.5)	32.4	(27.6)

Particulars	March 31, 2018		March 31, 2017	
Assumptions	Attrition rate		Attrition rate	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	(0.9)	2.9	(1.9)	2.0

Particulars	March 31, 2018		March 31, 2017	
Assumptions	Mortality rate		Mortality rate	
Sensitivity level	0.1% Increase	0.1% Decrease	0.1% Increase	0.1% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	0.1	(0.1)	0.1	(0.2)

ix) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2018	March 31, 2017
Weighted average duration (based on discounted cash flows)	12 years	12 years

x) The Following payments are expected contributions to the defined benefit plan in future years:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	14.4	10.5
Between 2 and 5 years	76.7	70.3
Between 5 and 10 years	87.8	72.5
Beyond 10 years	660.0	606.6
Total Expected Payments	838.9	759.9

The Group expects to contribute ₹ 33.8 Million to gratuity fund in the financial year 2018-19. (previous year ₹ 60.6 Million)

xi) 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)

30 Segment Information

Operating Segments

The identified reportable Segments are Port and SEZ activities at contiguous Special Economic Zone and others in terms of Ind-AS 108 "Operating Segment" as notified under section 133 of the Companies Act 2013. Other Segment mainly includes Aircraft Operating Income, Utilities services, Container Trains Services on specific Railway Routes and Multi-modal Cargo storage cum logistics services through development of Inland Container Depots at various strategic locations in terms of concession agreement from Ministry of Railways.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Summary of segment information is given below:

₹ in Million

Particulars	Port and SEZ activities	Others	Eliminations	Total
Revenue				
External Sales	**103,840.4** *76,276.5*	**9,389.2** *8,117.0*	**-** -	**113,229.6** *84,393.5*
Inter-Segment Sales	**1,091.0** *1,533.5*	**1,081.0** *1,312.1*	**(2,172.0)** *(2,845.6)*	**-** -
Total Revenue	**104,931.4** *77,810.0*	**10,470.2** *9,429.1*	**(2,172.0)** *(2,845.6)*	**1,13,229.6** *84,393.5*
Results	-	-	-	-
Segment Results	**57,090.1** *42,471.0*	**670.3** *677.3*	**-** -	**57,760.4** *43,148.3*
Unallocated Corporate Income (Net of expenses)	**-** -	**-** -	**-** -	**523.8** *3,898.4*
Operating Profit	**57,090.1** *42,471.0*	**670.3** *677.3*	**-** -	**58,284.2** *47,046.7*
Less: Finance Expense	**-** -	**-** -	**-** -	**14,953.7** *13,931.8*
Add: Interest Income	**-** -	**-** -	**-** -	**9,010.8** *8,673.8*
Profit before tax	**-** -	**-** -	**-** -	**52,341.3** *41,788.7*
Tax Expense	**-** -	**-** -	**-** -	**15,441.8** *2,866.3*
Total Tax	**-** -	**-** -	**-** -	**15,441.8** *2,866.3*
Profit after tax	**-** -	**-** -	**-** -	**36,899.5** *38,922.4*
Less: Minority Interest	**-** -	**-** -	**-** -	**163.3** *(100.2)*
Add : Share of joint venture entities	**-** -	**-** -	**-** -	**-** *92.6*
Net profit	**-** -	**-** -	**-** -	**36,736.2** *39,115.2*
Other Information	-	-	-	-
Segment Assets	**340,694.0** *318,373.0*	**14,425.1** *12,754.1*	**-** -	**355,119.1** *331,127.1*
Unallocated Corporate Assets	**-** -	**-** -	**-** -	**118,632.1** *104,723.7*
Total Assets	**-** -	**-** -	**-** -	**473,751.2** *435,850.8*
Segment Liabilities	**30,944.9** *28,027.7*	**1,601.7** *1,216.4*	**-** -	**32,546.6** *29,244.1*
Unallocated Corporate Liabilities	**-** -	**-** -	**-** -	**229,020.7** *229,954.5*

₹ in Million

Particulars	Port and SEZ activities	Others	Eliminations	Total
Total liabilities	**-** -	**-** -	**-** -	**261,567.3** *259,198.6*
Capital Expenditure during the year	**26,713.2** *36,931.6*	**608.3** *550.2*	**-** -	**27,321.5** *37,481.8*
Segment Depreciation and amortisation	**11,338.9** *11,087.2*	**544.8** *514.7*	**-** -	**11,883.7** *11,601.9*
Major Non-Cash Expenses other than Depreciation and amortisation (net)	**1,876.3** *359.9*	**3.0** *46.3*	**-** -	**1,879.3** *406.2*
Unallocated Major Non-Cash Expenses other than Depreciation and amortisation (net)	**-** -	**-** -	**-** -	**1,464.0** *2,216.0*

Previous year figures are in italics

Additional information regarding the Company's geographical segments: ₹ in Million

Sr No	Particulars	Revenue from External Customers		Non Current Assets	
		For the year ended March 31, 2018	For the year ended March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
1	India	**109,116.2**	82,738.2	**297,639.2**	297,045.5
2	Outside India	**4,113.4**	1,655.3	**1,091.7**	1,070.4

There is no transaction with single external customer which amounts to 10% or more of the Group's revenue

31 Adani Ports and Special Economic Zone Limited's share in the voting power of subsidiary companies as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2018	Proportion of Ownership Interest (%) March 31, 2017
a	Adani Logistics Limited	India	**100**	100
b	Karnavati Aviation Private Limited	India	**100**	100
c	MPSEZ Utilities Private Limited	India	**100**	100
d	Mundra SEZ Textile and Apparel Park Private Limited	India	**57**	57
e	Adani Murmugao Port Terminal Private Limited	India	**100**	100
f	Mundra International Airport Private Limited	India	**100**	100
g	Adani Hazira Port Private Limited	India	**100**	100
h	Adani Petronet (Dahej) Port Private Limited	India	**74**	74
i	Hazira Infrastructure Private Limited	India	**100**	100
j	Mundra LPG Infrastructure Private Limited (formerly known as Hazira Road Infrastructure Private Limited)	India	**100**	100
k	Adani Vizag Coal Terminal Private Limited	India	**100**	100
l	Adani Kandla Bulk Terminal Private Limited (refer note (a) below)	India	**100**	100
m	Adani Warehousing Services Private Limited	India	**100**	100
n	Adani Ennore Container Terminal Private Limited	India	**100**	100
o	Adani Hospitals Mundra Private Limited	India	**100**	100
p	The Dhamra Port Company Limited	India	**100**	100
q	Shanti Sagar International Dredging Private Limited (formerly known as Adani Food and Agro-Processing Park Private Limited)	India	**100**	100
r	Abbot Point Operations Pty Limited	Australia	**100**	100
s	Adani Vizhinjam Port Private Limited	India	**100**	100
t	Adani Kattupalli Port Private Limited	India	**100**	100
u	Adani Dhamra LPG Terminal Private Limited (formerly known as Dhamra LPG Terminal Private Limited)	India	**100**	100
v	Mundra LPG Terminal Private Limited (formerly known as Adani Mundra LPG Terminal Private Limited)	India	**100**	100
w	Dhamra LNG Terminal Private Limited	India	**100**	100
x	Adani Petroleum Terminal Private Limited (incorporated on April 26, 2016)	India	**100**	100
y	Abbot Point Bulkcoal Pty Limited (acquired on October 04, 2016)	Australia	**100**	100
z	The Adani Harbour Services Private Limited (formerly known as TM Harbour Services Private Limited) (acquired on December 07, 2016)	India	**100**	100
aa	Dholera Infrastructure Private Limited (refer note 2.4)	India	**49**	49
ab	Dholera Port and Special Economic Zone Limited (refer note 2.4)	India	**100**	100
ac	Adinath Polyfills Private Limited	India	**100**	100
ad	Mundra International Gateway Terminal Private Limited	India	**100**	-
ae	Adani International Terminals Pte Limited	Singapore	**100**	-

Adani Ports and Special Economic Zone Limited's share in the voting power in joint venture entities as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2018	Proportion of Ownership Interest (%) March 31, 2017
a	Adani International Container Terminal Private Limited	India	**50**	50
b	Adani CMA Mundra Terminal Private Limited	India	**50**	50

Note a) :

During the previous year, the Company has accounted for purchase of 3,12,13,000 numbers of equity shares in Adani Kandla Bulk Terminal Private Limited at consideration of ₹ 312.1 Million. The equity shares have been purchased from the Adani Enterprises Limited, a group company whereby this entity has become a wholly owned subsidiary. As per the management, the transfer has been recorded based on Irrevocable Letter of Affirmation dated March 31, 2017 from the seller and acceptance by the Company although legal transfer of equity share of Adani Kandla Bulk Terminal Private Limited is still in process at year end.

32 Related Party Disclosures

Related parties with whom transactions have been taken place during the year.

Joint Venture Entities	Adani International Container Terminal Private Limited Adani CMA Mundra Terminal Private Limited
Key Management Personnel and their relatives	Mr. Gautam S. Adani - Chairman and Managing Director Mr. Rajesh S. Adani - Director and Brother of Mr. Gautam S. Adani Mr. Karan G. Adani - Chief Executive Officer and son of Mr. Gautam S. Adani Dr. Malay Mahadevia, Wholetime Director Mr. A.K. Rakesh, IAS - Non-Executive Director (till September 07, 2016) Prof. G. Raghuram - Non-Executive Director Mr. Sanjay S. Lalbhai - Non-Executive Director Ms. Radhika Haribhakti - Non-Executive Director Mr. Gopal Krishna Pillai - Non-Executive Director Mr. B. Ravi - Chief Finance Officer (till February 12, 2018) Ms. Dipti Shah - Company Secretary
Entities over which Key Management Personnel and their relatives having significant influence/major shareholders of the Company having significant influence through voting powers	Abbot Point Port Holdings Pte Limited. Singapore Adani Foundation Adani Institute of Infrastructure Management Adani Properties Private Limited Delhi Golf Link Properties Private Limited Adani Townships and Real Estate Company Private Limited Mundra Port Pty Limited, Australia Adani Infrastructure and Developers Private Limited Adani Mundra SEZ Infrastructure Private Limited Shanti Builders Adani Agri Fresh Limited Adani Bunkering Private Limited Adani Enterprises Limited Adani Green Energy Limited Adani Gas Limited Adani Global FZE Adani Infra (India) Limited Adani Power Dahej Limited Adani Power (Mundra) Limited Adani Power Limited Adani Power Maharashtra Limited Adani Power Rajasthan Limited Adani Wilmar Limited Kutch Power Generation Limited Belvedere Golf and Country Club Private Limited Gujarat Adani Institute of Medical Science Adani Institute for Education and Research Sunanda Agri Trade Private Limited Adani Skill Development Centre Prayatna Developers Private Limited Udupi Power Corporation Limited Adani Global Pte Limited Adani Renewable Energy Park Rajasthan Limited Parampujya Solar Energy Private Limited Wardha Solar (Maharashtra) Private Limited Adani Cementation Limited Mundra Solar PV Limited Mundra Solar Technopark Private Limited

Terms and conditions of transactions with related parties

Outstanding balances of the related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note:

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.

(A) Transactions with Related Parties

₹ In Million

Sr No	Particulars	For the Year Ended	With Joint Ventures	With Other Parties	Key Managerial Persons and their relatives
1	Income from Port Services / Other Operating Income	**March 31, 2018**	**2,676.5**	**8,996.0**	**-**
		March 31, 2017	1,446.0	10,277.9	-
2	Lease including Infrastructure Usage Income/ Upfront Premium (Includes Reversal)	**March 31, 2018**	**4,497.5**	**175.0**	**-**
		March 31, 2017	46.1	1,311.7	-
3	Income from Development of Container Terminal Infrastructure	**March 31, 2018**	**22,588.5**	**-**	**-**
		March 31, 2017	-	-	-
4	Interest Income on loans/ deposits/deferred accounts receivable	**March 31, 2018**	**1,213.3**	**837.9**	**-**
		March 31, 2017	135.9	3,952.9	-
5	Purchase of Spares and consumables, Power & Fuel	**March 31, 2018**	**-**	**1,244.6**	**-**
		March 31, 2017	-	1,759.0	-
6	Recovery of expenses (Reimbursement)	**March 31, 2018**	**191.9**	**-**	**-**
		March 31, 2017	55.9	-	-
7	Services Availed (including reimbursement of expenses)	**March 31, 2018**	**-**	**718.0**	**-**
		March 31, 2017	22.8	639.1	-
8	Rent charges paid	**March 31, 2018**	**20.8**	**88.6**	**-**
		March 31, 2017	38.0	49.8	-
9	Sales of Scrap and other Miscellaneous Income	**March 31, 2018**	**5.7**	**90.1**	**-**
		March 31, 2017	66.6	23.4	-
10	Loans Given	**March 31, 2018**	**4,723.4**	**37.7**	**-**
		March 31, 2017	7,936.4	12,238.9	-
11	Loans Received back	**March 31, 2018**	**557.2**	**41.7**	**-**
		March 31, 2017	-	37,477.2	-
12	Advance / Deposit Given	**March 31, 2018**	**-**	**180.0**	**-**
		March 31, 2017	-	1,406.6	-
13	Advance / Deposit Received Back	**March 31, 2018**	**-**	**100.0**	**-**
		March 31, 2017	-	8,001.9	-
14	Investment in equity shares	**March 31, 2018**	**482.3**	**-**	**-**
		March 31, 2017	-	-	-
15	Purchase of Investment	**March 31, 2018**	**-**	**-**	**-**
		March 31, 2017	-	613.4	-
16	Donation	**March 31, 2018**	**-**	**622.8**	**-**
		March 31, 2017	-	532.9	-
17	Sale of assets	**March 31, 2018**	**3,452.2**	**14.0**	**-**
		March 31, 2017	81.9	-	-
18	Purchase of property/asset/land use rights	**March 31, 2018**	**-**	**-**	**-**
		March 31, 2017	-	3,342.0	-
19	Remuneration	**March 31, 2018**	**-**	**-**	**197.6**
		March 31, 2017	-	-	175.5
20	Commission to Director	**March 31, 2018**	**-**	**-**	**10.0**
		March 31, 2017	-	-	10.0
21	Commission to Non-Executive Director	**March 31, 2018**	**-**	**-**	**3.6**
		March 31, 2017	-	-	4.8
22	Sitting Fees	**March 31, 2018**	**-**	**-**	**1.3**
		March 31, 2017	-	-	1.3

(B) Balances with Related Parties

₹ In Million

Sr No	Particulars	As at	With Joint Ventures	With Other Parties	Key Managerial Persons and their relatives
1	Trade Receivable (net of bills discounted, refer note 5 (c))	**March 31, 2018**	**15,057.0**	**9,554.7**	**-**
		March 31, 2017	495.5	9,683.2	-
2	Loans	**March 31, 2018**	**12,133.7**	**-**	**-**
		March 31, 2017	7,936.4	4.0	-
3	Capital Advances	**March 31, 2018**	**0.9**	**1,520.2**	**-**
		March 31, 2017	26.4	1,626.8	-
4	Trade Payable (including provisions)	**March 31, 2018**	**32.2**	**310.7**	**-**
		March 31, 2017	125.0	452.6	-
5	Advances and Deposits from Customer/ Sale of Assets	**March 31, 2018**	**36.8**	**149.2**	**-**
		March 31, 2017	1,367.4	259.5	-
6	Other Financial & Non-Financial Assets	**March 31, 2018**	**1,601.3**	**9,048.3**	**-**
		March 31, 2017	627.7	8,401.4	-
7	Other Financial & Non-Financial Liabilities	**March 31, 2018**	**-**	**1,399.5**	**-**
		March 31, 2017	0.7	156.3	-
8	Corporate Guarantee	**March 31, 2018**	**USD 32.1 Million ₹ 448**	**USD 800 Million -**	**- -**
		March 31, 2017	USD 50 Million ₹ 4480	USD 800 Million -	- -
9	Corporate Guarantee (Deed of indemnity received). Loan outstanding USD 288 Mn (previous year USD 453 Mn)	**March 31, 2018**	**-**	**USD 800 Million**	**-**
		March 31, 2017		USD 800 Million	-

Notes:

a) The Group has allowed to some of its joint venture entities and other group company to avail non fund based bank guarantee facilities out of its credit facilities. The aggregate of such transaction amount ₹ 2,400.8 Million (Previous year ₹2,672.1 Million)

b) During the previous year, out of total advance of ₹ 3,020 Million given to Adani Enterprises Limited for acquisition of equity, the Company has adjusted ₹ 520 Million for the purpose of acquisition of Non-Controlling interest in two subsidiaries and balance amount is received back.

c) Pass through transactions/payable relating to railway freight, water front charges and other payable to third parties have not been considered for the purpose of related party disclosure.

(This space has been left intentionally blank)

33 The Group takes various types of derivative instruments. The category-wise outstanding position of derivative instruments is as under:

Nature	Particulars of Derivatives		Purpose
	As at March 31, 2018	As at March 31, 2017	
INR - Foreign Currency Swap	**USD 146 Million (₹ 9,515.6 Million)**	Nil	Hedging of equivalent INR borrowings to mitigate higher interest rate of INR borrowings as against the foreign currency loans with possible risk of principal currency losses.
Forward Contract	**USD 172.4 Million**	USD 190.4 Million	Hedging of expected future billing based on foreign currency denominated tariff
	USD 7.6 Million	USD 97.8 Million	Hedging of foreign currency borrowing principal and interest liability
	EUR 62.8 Million	EUR 98.0 Million	Hedging of USD borrowing principal liability
	USD 70.0 Million	USD 9.0 Million	Hedging of foreign currency borrowing principal liability
	Nil	EUR 0.6 Million	Hedging of foreign currency term loan principal and interest liability
Options	**USD 1.1 Million**	USD 76.6 Million	Hedging of foreign currency borrowing principal and interest liability
	Nil	EUR 6.45 Million	Hedging of foreign currency borrowing principal liability
	EUR 90 Million	EUR 137.3 Million	Hedging of foreign currency borrowing principal liability
	USD 79 Million	USD 36.00 Million	Hedging of foreign currency borrowing principal liability
Interest rate Swap - Fixed to Variable Rate	**Interest on USD 225 Million Principal Amount**	Interest on USD 175 Million Principal amount	Hedging of interest rate on foreign currency borrowing
Foreign Currency - INR Full Currency Swap	**USD 111.38 Million**	USD 146.38 Million	Hedging of currency and interest rate risk of foreign currency borrowing

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

Nature	As at March 31, 2018		As at March 31, 2017	
	Amount (₹ In Million)	**Foreign Currency (in Million)**	Amount (₹ In Million)	Foreign Currency (in Million)
Foreign Currency Loan	**11,580.8**	**USD 177.69**	32,128.1	USD 495.42
	10,107.4	**EUR 125.08**	2,435.1	EUR 35.14
	-	**-**	123.1	JPY 212.16
Buyer's Credit	**11,753.2**	**USD 180.33**	6,103.0	USD 94.11
	681.9	**EUR 8.44**	160.7	EUR 2.32
Trade Payables and Other Current Liabilities	**270.3**	**USD 4.15**	1,706.8	USD 26.31
	20.7	**EUR 0.26**	61.9	EUR 0.89
	6.3	**JPY 10.18**	28.4	JPY 48.90
	23.7	**SGD 0.48**	0.4	SGD 0.01
	-	**-**	0.4	AUD 0.01
	3.0	**GBP 0.03**	0.4	GBP #
Interest accrued but not due	**801.4**	**USD 12.30**	41.2	USD 0.64
	23.5	**EUR 0.29**	9.6	EUR 0.14
	-	**-**	1.1	JPY 1.87
Other Receivable	**859.3**	**AUD 17.17**	851.3	AUD 17.17
	4.3	**EUR 0.05**	-	-
Foreign Currency Bond	**100,279.9**	**USD 1,538.63**	67,354.8	USD 1,038.63
Loan Given	**4,337.4**	**USD 66.55**	-	-

Figures being nullified on conversion to foreign currency in million.

Closing rates as at

	March 31, 2018	March 31, 2017
INR / USD	**65.18**	64.85
INR / EUR	**80.81**	69.29
INR / GBP	**92.28**	80.90
INR / JPY	**0.62**	0.58

INR / AUD	**50.05**	49.58
INR / SGD	**49.82**	48.41

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

34.1 Category-wise Classification of Financial Instruments:

₹ in Million

Particulars	Refer Note	As at March 31, 2018			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	8,234.8	8,234.8
Bank balances other than cash and cash equivalents	7,11	-	-	21,845.8	21,845.8
Investments in unquoted Equity Shares (other than investment in Joint Venture entities)	4	2,421.4	-	-	2,421.4
Investments in unquoted Equity shares of Joint Ventures	4	-	-	-	-
Investments in unquoted Mutual Funds	10	-	8.3	-	8.3
Investments in unquoted Debentures, Commercial Papers and Government Securities	4,10	-	-	8,359.5	8,359.5
Trade Receivables (including bill discounted)	5	-	-	43,120.5	43,120.5
Loans	6	-	-	27,007.5	27,007.5
Advance paid for Acquisition	37 (c)	-	-	18,250.0	18,250.0
Derivatives Instruments	7	-	619.1	-	619.1
Financial Guarantee received	7	-	-	43.7	43.7
Other Financial assets	7	-	-	26,049.1	26,049.1
Total		**2,421.4**	**627.4**	**152,910.9**	**155,959.7**
Financial Liabilities		-	-	-	-
Borrowings (including the bills discounted and current maturities)	14,15,17	-	-	222,041.6	222,041.6
Trade Payables	18	-	-	4,897.3	4,897.3
Derivative Instruments	15	-	1,131.3	-	1,131.3
Financial Guarantee given	15	-	-	70.8	70.8
Other Financial Liabilities	15	-	-	12,806.1	12,806.1
Total		**-**	**1,131.3**	**239,815.8**	**240,947.1**

₹ in Million

Particulars	Refer Note	As at March 31, 2017			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	9,502.1	9,502.1
Bank balances other than cash and cash equivalents	7,11	-	-	10,769.1	10,769.1
Investments in unquoted Equity Shares (other than investment in Joint Venture Entities)	4	2,251.9	-	-	2,251.9
Investments in unquoted Equity shares of Joint Ventures	4	-	-	271.3	271.3
Investments in unquoted Mutual Funds	10	-	145.4	-	145.4
Investments in unquoted Debentures, Commercial Papers and Government Securities	4,10	-	-	8,945.0	8,945.0
Trade Receivables (including bill discounted)	5	-	-	27,066.2	27,066.2
Loans	6	-	-	25,419.4	25,419.4
Advance paid for Acquisition	37 (c)	-	-	14,500.0	14,500.0
Financial Guarantee received	7	-	-	87.4	87.4
Other Financial Assets	7	-	-	16,821.9	16,821.9
Derivative Instruments	7	-	1,061.6	-	1,061.6
Total		**2,251.9**	**1,207.0**	**113,382.4**	**116,841.3**
Financial Liabilities		-	-	-	-
Borrowings (including the bills discounted and current maturities)	14,15,17	-	-	222,142.6	222,142.6
Trade Payables	18	-	-	4,556.6	4,556.6
Derivative Instruments	15	-	1,098.1	-	1,098.1
Financial Guarantee given	15	-	-	125.3	125.3
Other Financial Liabilities	15	-	-	10,475.1	10,475.1
Total		**-**	**1,098.1**	**237,299.6**	**238,397.7**

34.2 Fair Value Measurements:

(a) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities:

₹ in Million

Particulars	As at March 31, 2018			As at March 31, 2017		
	Significant observable Inputs (Level 2)	**Significant unobservable Inputs (Level 3)**	**Total**	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	Total
Financial Assets						
Investment in unquoted Equity Investments measured at FVTOCI (refer note 4)	**-**	**2,421.4**	**2,421.4**	-	2,251.9	2,251.9
Investments in unquoted Mutual Funds measured at FVTPL (refer note 10)	**8.3**	**-**	**8.3**	145.4	-	145.4
Derivative Instruments	**619.1**	**-**	**619.1**	1,061.6	-	1,061.6
Total	**627.4**	**2,421.4**	**3,048.8**	1,207.0	2,251.9	3,458.9
	-	**-**	**-**	-	-	-
Financial Liabilities	**-**	**-**	**-**	-	-	-
Derivative Instruments	**1,131.3**	**-**	**1,131.3**	1,098.1	-	1,098.1
Total	**1,131.3**	**-**	**1,131.3**	1,098.1	-	1,098.1

(b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2018 and March 31, 2017 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares	DCF Method	Weighted Average Cost of Capital (WACC)	March 31, 2018 : 12.12% - 20.80% (16.46%) March 31, 2017 : 13.56% - 18.45% (16.01%)	1% increase would result in decrease in fair value by ₹ 231.9 Million as of March 31, 2018 (₹ 134.8 Million as of March 31, 2017)
		Perpetual Growth Rate for Subsequent years	March 31, 2018 : 2% - 5% (3.5%) March 31, 2017 : 2% - 5% (3.5%)	1% decrease would result in decrease in fair value by ₹ 125.5 Million as of March 31, 2018 (₹ 73.5 Million as of March 31, 2017)

(c) 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 Group management does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

34.3 Financial Risk objective and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations/projects and to provide guarantees to support Group's operations and its joint venture entities. The Group's principal financial assets include loans, investment including mutual funds, trade and other receivables, and cash and cash equivalents which is derived from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

In the ordinary course of business, the Group 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 Group'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 Cross Currency Swaps, Full Currency swaps, Interest rate swaps, 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 Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's central treasury team ensures appropriate financial risk governance framework for the Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group'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 Group is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

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

(A) Market risk

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

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

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, 2018. The analysis exclude the impact of movements in market variables on the carrying values of gratuity , other post-retirement obligations and provisions.

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

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

(i) Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

Interest rate sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended March 31, 2018 would decrease / increase by ₹ 197.8 Million (for the year ended March 31, 2017 : decrease / increase by ₹ 294.7 Million). This is mainly attributable to interest rates on variable rate of long term borrowings.

(ii) Foreign currency risk

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

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

₹ in Million

Particulars	Impact on Profit before Tax		Impact on Pre-tax Equity	
	For the year ended		For the year ended	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Liabilities				
USD Sensitivity				
₹/USD - Increase by 1%	**(664.0)**	(722.4)	**(664.0)**	(722.4)
₹/USD - Decrease by 1%	**664.0**	722.4	**664.0**	722.4
EURO Sensitivity	**-**	-	**-**	-
₹/EURO - Increase by 1%	**(84.8)**	(0.9)	**(84.8)**	(0.9)
₹/EURO - Decrease by 1%	**84.8**	0.9	**84.8**	0.9
GBP Sensitivity	**-**	-	**-**	-
₹/GBP - Increase by 1%	**-***	-	**-***	**-**
₹/GBP - Decrease by 1%	**-***	-	**-***	**-**
SGD Sensitivity	**-**	-	**-**	-
₹/SGD - Increase by 1%	**(0.2)**	-	**(0.2)**	**-**
₹/SGD - Decrease by 1%	**0.2**	-	**0.2**	**-**
JPY Sensitivity	**-**	-	**-**	-
₹/JPY- Increase by 1%	**(0.1)**	(0.3)	**(0.1)**	(0.3)
₹/JPY - Decrease by 1%	**0.1**	0.3	**0.1**	0.3
Assets	**-**	-	**-**	-
AUD Sensitivity	**-**	-	**-**	-
₹/AUD- Increase by 1%	**8.6**	8.5	**8.6**	8.5
₹/AUD - Decrease by 1%	**(8.6)**	(8.5)	**(8.6)**	(8.5)

-* Figures being nullified on conversion to ₹ in Million

(iii) Equity price risk

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

The Company has given corporate guarantees and pledged part of its investment in equity in order to fulfil the collateral requirements of the subsidiaries and joint venture entities. The counterparties have an obligation to return the guarantees/ securities to the Company. There are no other significant terms and conditions associated with the use of collateral.

(B) Credit risk

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

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

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

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

Concentrations of Credit Risk form part of Credit Risk

Considering that the group operates the port services and provide related infrastructure services, the group is significantly dependent on cargo from such large port user customer located at Mundra/ user customers located in the port vicinity. Out of total revenue, the Company earns 23 % revenue from such customers, and with some of these customers, the group has long term cargo contracts . Receivables from such customer constitute 36% of total trade receivables. A loss of these customer could adversely affect the operating result or cash flow of the group.

(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 analyses 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 Million

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2018						
Borrowings (including the bills discounted)	14,15,17	-	15,751.9	126,316.0	79,973.7	222,041.6
Trade Payables	18	-	4,897.3	-	-	4,897.3
Derivatives Instruments	15	-	406.4	724.9	-	1,131.3
Financial Guarantees given	15	-	43.7	27.1	-	70.8
Other Financial Liabilities	15	-	12,467.7	279.5	58.9	12,806.1
Total		-	**33,567.0**	**127,347.5**	**80,032.6**	**240,947.1**
As at March 31, 2017		-	-	-	-	-
Borrowings (including the bills discounted)	14,15,17	-	42,210.2	146,296.2	33,636.2	222,142.6
Trade Payables	18	-	4,556.6	-	-	4,556.6
Derivatives Instruments	15	-	538.5	559.6	-	1,098.1
Financial Guarantees given	15	-	-	125.3	-	125.3
Other Financial Liabilities	15	-	10,229.7	183.0	62.4	10,475.1
Total		-	**57,535.0**	**147,164.1**	**33,698.6**	**238,397.7**

34.4 Capital Management

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

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

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Total Borrowings (refer note 14,15 and 17)	**222,041.6**	222,142.6
Less: Cash and bank balance (refer note 7,11)	**30,080.6**	20,271.2
Net Debt (A)	**191,961.0**	201,871.4
	-	-
Total Equity (B)	**210,688.3**	175,259.8
Total Equity and Net Debt (C = A + B)	**402,649.3**	377,131.2
Gearing ratio	**48%**	54%

In order to achieve this overall objective, the Group'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, 2018 and March 31, 2017.

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35 The MPSEZ Utilities Private Limited is engaged in the business of distribution of power. Quantitative information in respect of purchase and sale of power as under :-

Sr. No.	Particulars	2017-18 Million Units	2016-17 Million Units
ia)	Unit Purchased - Scheduled	**270.44**	189.62
ib)	Unscheduled Interchange (UI)	**23.50**	16.91
i)	Total Units Purchased	**293.94**	206.53
ii)	Unit Sold	**283.98**	198.67
iii)	Transmission & Distribution Losses	**9.96**	7.86
iv)	Transmission & Distribution Losses (%)	**3.39%**	3.81%

36 Detail of Capital Work-in-Progress including certain expenses of revenue nature allocable to New Expansion Projects and Capital Inventory, Consequently expenses disclosed under the respective notes are net of such amount .

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Project Costs	**40,121.0**	39,918.6
	-	-
B. Capital Inventory	**5,121.1**	4,611.4
	-	-
C. Cost attributable to Construction Period :	**-**	-
Personnel Expenses	**-**	-
Salaries, Wages & Bonus	**288.1**	114.4
Contribution to Provident Fund	**9.5**	3.5
Workmen and Staff Welfare Expense	**8.9**	-
Sub Total	**306.5**	117.9
Other Expenses	**-**	-
Electricity expenses	**36.2**	-
Insurance	**12.5**	1.1
Other Repairs and Maintenance	**0.7**	3.4
Legal and Professional Expenses	**143.6**	47.8
Travelling and Conveyance	**43.9**	37.4
Vehicle Hiring Charges	**3.0**	9.1
Rent	**27.9**	-
Manpower expenses	**12.6**	-
Security Charges	**0.5**	6.7
Other Expenses	**38.6**	31.3
Rates & Taxes	**23.3**	-
Factory and Office Expenses	**1.9**	5.2
Foreign exchange fluctuations	**(83.5)**	-
Project related Community Development Expenditure	**26.9**	-
	-	-
Sub Total	**288.1**	142.0
Finance Cost	**-**	-
Interest on Borrowings	**686.3**	618.7
Bank Charges	**46.3**	10.8
Sub Total	**732.6**	629.5
Less: Interest Income on Bank Deposits and others	**(77.4)**	(117.5)
Depreciation	**682.1**	855.2
Total Expenditure (a)	**1,931.9**	1,627.1
Trial Run Income (net of expenses)	**(6.3)**	-
Miscellaneous Income	**(0.9)**	-
Total Income (b)	**(7.2)**	-
Net (a) + (b)	**1,924.7**	1,627.1
Brought Forward from Previous Year	**609.7**	368.8
Total	**2,534.4**	1,995.9
Amount capitalized/allocated to project costs during the year	**(2,321.9)**	(1,386.2)
Balance Carried Forward Pending Allocation / Capitalisation	**212.5**	609.7
Total Capital Work-In-Progress (A + B + C)	**45,454.6**	45,139.7

Note: Project costs mainly include costs incurred on development of dredged channel, receipts and dispatch conveyor system and LNG terminal at Mundra and on construction of port assets at Vizhinjam, Dhamra and Ennore.

37 **Capital Commitments and other commitments**

₹ in Million

Capital Commitments

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	**36,428.2**	35,926.4

Other Commitments

a) The port projects of subsidiary companies viz. Adani Petronet (Dahej) Port Private Limited("APDPPL"), Adani Hazira Port Private Limited("AHPPL"), The Dhamra Port Company Limited ("DPCL") and joint venture Adani International Container Terminal Private Limited ("AICTPL") have been funded through various credit facility agreements with banks. Against the said facilities availed by the aforesaid entities from the banks, the Company has executed a Sponsor Undertaking and Pledge Agreements whereby 51% of the holding would be retained by the Company (In case of AICTPL jointly with the Joint Venture partner) at all points of time. Further, the Company is also required to pledge 30% (26% from the date of commencement of the operation) of its shareholding in the respective entities. (In case of AICTPL, jointly with Joint Venture partner of which 12.98% share held by Joint Venture partner are yet to be pledged with bank).

During the year, Adani Petronet (Dahej) Port Private Limited("APDPPL") and Adani Hazira Port Private Limited("AHPPL") has repaid loan to lenders and process for release of share pledge is in progress.

The details of shareholding pledged by the Company is as follows :

Name of Subsidiaries / Joint Ventures	% of Non disposal undertaking (Apart from pledged)		% of Share Pledged of the total shareholding of investee company	
	As on March 31, 2018	As on March 31, 2017	**As on March 31, 2018**	As on March 31, 2017
Adani Petronet (Dahej) Port Private Limited	**-**	21%	**-**	30%
Adani Hazira Port Private Limited	**-**	21%	**27%**	27%
Adani International Container Terminal Private Limited	**-**	21%	**13%**	13%
The Dhamra Port Company Limited	**21%**	21%	**30%**	30%

b) Contract/ Commitment for purchase of certain supplies. Advance given ₹ 3,311.9 Million (previous year ₹ 3,518.1 Million).

c) The Company has, through its subsidiary company Adani Kattupalli Port Private Limited ("AKPPL"), entered into an in principle agreement on November 01, 2015 for strategic acquisition of the Kattupalli Port in Tamil Nadu from L&T Shipbuilding Limited ("LTSB") a subsidiary of Larsen & Toubro Limited. The transaction is subject to receiving the necessary government and regulatory approvals and the port business being demerged from LTSB. While awaiting all the necessary approvals, APSEZL through its subsidiary AKPPL has an arrangement to operate the Port w.e.f November 01, 2015 through AKPPL.

d) The subsidiary companies have imported capital good for its Container and Multipurpose Port Terminal Project under the EPCG Scheme at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 20,199.0 Million (previous year ₹ 18,943.5 Million) which is equivalent to 6 to 8 times of duty saved ₹ 3,149.5 Million (previous year ₹ 2,759.5 Million) . The export obligation has to be completed by 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23. Further during the year, the subsidiary companies have submitted documents for fulfilment of obligations to the tune of ₹ 5,440.3 Million however pending the export obligation discharge clearance certificate, the same have been considered as outstanding as on March 31, 2018.

e) On May 25, 2016, one the subsidiary company has entered into agreement for Grant of Right to Use of Jetty, Back-up yard and related marine infrastructure for proposed LNG Terminal at Dhamra Port with Dhamra LNG Terminal Private Limited ('DLTPL'), a fellow subsidiary. In pursuant to that, the company has also entered into Engineering, Procurement and Construction contract (EPC Contract) in previous year for construction and development of jetty, back up yard and other marine infrastructure with contract value of ₹ 7,610 Million. As at March 31, 2018 the company has incurred expenditure of ₹ 539.4 Million (Previous year – NIL) towards construction of jetty and related marine infrastructure and also given interest bearing deposits of ₹ 1,928.3 Million under the contract. Based on broader understanding as per the agreement for grant of right to use between the company and DLTPL, the company expects to lease these infrastructure on right to use basis as per the terms of aforesaid agreement.

f) One of the subsidiary company has entered into agreement in financial year 2013-14 to acquire land measuring 85,553 square meter in the Hazira region and an advance consideration of ₹ 182.3 Million paid towards the land has been classified as capital advance. The company has entered into agreement in financial year 2016-17 and 2017-18 to acquire additional land measuring 748 acre in the Patan region and an advance consideration of ₹ 16.5 Million and ₹ 68.8 Million paid towards the land classified as capital advance respectively. As at March 31, 2018, the company do not have physical possession of the said land, although it has contractual right in the said land parcels. The management represent that as land area and location is identifiable and the transaction will be concluded on receiving necessary government approvals.

g) As a part of Environmental Clearance obtained by the Vizhinjam International Sea Port Limited (VISL or 'the Concessionaire'), one of the subsidiary company has been obliged to incur expenditure of ₹ 337.0 Million towards 'Corporate Social Responsibility' along with development of Port Infrastructure under Phase - I and the same is included under the total Project cost. Out of total commitment of ₹ 337.0 Million, the same subsidiary company has incurred ₹ 39.6 Million till March 31, 2018.

38 **Contingent Liabilities not provided for**

₹ In Million

Sr. No.	Particulars	March 31, 2018	March 31, 2017
a	Corporate Guarantees given to banks and financial institutions against credit facilities availed by the joint venture entities. Amount outstanding there against ₹ 6,068.4 Million (previous Year ₹ 6,595.2 Million). During the previous year, Joint Venture entity had repaid the loan of ₹ 7,582.9 Million, however, the release of corporate guarantee against said loan was pending as at year end and the amount was not included in the disclosure.	**7,738.8**	7,722.5
b	Corporate Guarantee given to a bank for credit facility availed by erstwhile subsidiary company, Mundra Port Pty Limited, Australia read with note (t) below. (Amount outstanding there against ₹ 18,770.4 Million (previous year ₹ 29,377.1 Million)	**Refer note (t) below**	Refer note (t) below
c	Bank Guarantees and Letter of Credit facilities availed by the joint venture entities and other group company against credit facilities sanctioned to the company.	**2,400.8**	2,672.1
d	Bank Guarantees given to government authorities and bank (also includes DSRA bank guarantees given to Bank on behalf of subsidiaries and erstwhile subsidiaries.)	**1,343.0**	1,599.8
e	Civil suits filed by the Customers for recovery of damages against certain performance obligations. The said civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	**9.4**	9.4
f	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of ₹ 0.50 Million (previous year ₹ 0.50 Million) against the demand. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	**1.4**	1.4
g	Customs department notice for wrongly availing duty benefit exemption under DFCEC Scheme on import of equipment. The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Commissioner of Customs, Mumbai against order in original. The management is of view that no liability shall arise on the Company.	**2.5**	2.5
h	Various show cause notices received from Commissioner/ Additional Commissioner/ Joint Commissioner/ Deputy Commissioner of Customs and Central Excise, Rajkot and Commissioner of Service Tax, Ahmedabad and appeal there of, for wrongly availing of Cenvat credit/ Service tax credit and Education Cess credit on input services and steel, cement and other fixed assets during financial year 2006-07 to 2014-15. In similar matter, the Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of ₹ 45.0 Million (previous Year ₹ 45.0 Million) against the demand. These matters are pending before the Supreme Court, the High Court of Gujarat, Commissioner of Central Excise (Appeals), Rajkot and Commissioner of Service Tax, Ahmedabad. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company. Further, during the earlier year, the Company has received favourable order from High Court of Gujarat against demand in respect of dispute relating to financial year 2005-06 and favourable order from CESTAT against similar demand in respect of dispute relating to FY 2005-06 to FY 2010 -11 (up to Sept 2011).	**364.9**	247.8
i	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot and appeal thereof in respect of levy of service tax on various services provided by the Company and wrong availment of CENVAT credit by the Company during financial year 2009-10 to 2011-12. These matters are currently pending at High Court of Gujarat ₹ 67.2 Million (previous Year ₹ 67.2 Million); and Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹ 1.5 Million (previous Year ₹ 1.5 Million) and Commissioner of Service Tax Ahmedabad ₹ 0.3 Million (previous Year ₹ 0.3 Million). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	**69.0**	69.0
j	Commissioner of Customs, Ahmedabad has demanded vide letter no.4/Comm./SIIB/2009 dated 25/11//2009 for recovery of penalty in connection with import of Air Craft which is owned by Karnavati Aviation Private Limited (Formerly Gujarat Adani Aviation Private Limited.), subsidiary of the Company. Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the demand order, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	**20.0**	20.0

₹ In Million

Sr. No.	Particulars	March 31, 2018	March 31, 2017
k	In terms of the Show Cause Notice issued to a subsidiary company by the Office of the Commissioner of Customs for a demand of ₹ 183.3 Million along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Bombardier Challenger CI-600 under Non-Scheduled Operation Permit (NSOP) has been raised on the Company.	**183.3**	183.3
l	In terms of the Show Cause cum Demand Notice issued to subsidiary company by the Office of the Commissioner of Customs Preventive Section dated 27/02/2009, a demand of ₹ 146.7 Million along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Aircraft Hawker 850 XP under Non-Scheduled Operation Permit (NSOP) has been raised on the Company.	**145.3**	145.3
m	National Green Tribunal (Western Zone) Bench, Pune has passed a penalty order in the matter relating to environmental deficiencies observed by the Tribunal in which Subsidiary Company is one of the respondent. As per the order, the Subsidiary Company has deposited ₹ 250.0 Million with the Collector, Surat and has appealed against the order of National Green Tribunal in Supreme Court. However, the Supreme Court has passed the order in favor of the Company on April 23, 2018 and asked the authority to refund the amount along with interest to the company.	**-**	250.0
n	Notice received from Superintendent / Commissioner of Service Tax Department and show cause from Directorate General of Central Excise Intelligence for wrong availing of Cenvat Credit /Service tax credit and Education Cess on input services steel and cement on some of the subsidiary companies. The management is of the view that no liability shall arise on the subsidiaries companies.	**389.8**	320.7
o	Show cause notice received from Directorate General of Central Excise Intelligence for Non-Payment of Service Tax on Domestic Journey and on certain Foreign Service on reverse charge mechanism amounting to ₹ 30.3 Million. The subsidiary company had filed appeal with Commissioner of Service Tax & received order for the same. The subsidiary company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the order of Commissioner for confirmation of tax liability of ₹ 37.1 Million (including Penalty). The subsidiary company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise. The subsidiary company has paid ₹ 3.5 Million under protest.	**37.1**	37.1
p	Various matters of subsidiaries companies pending with Income Tax Authorities	**12.9**	11.3
q	Statutory claims not acknowledged as debts	**4.6**	4.6
r	Interest claims not acknowledged as debts	**-**	15.0

(s) The Company's tax assessments is completed till assessment year 2014-15, pending appeals with Appellate Tribunal for Assessment Year 2009-10 to 2011-12 and CIT (Appeals) for Assessment Year 2012-13 to 2014-15. During the year, the Company has received a favourable order from Appellate Tribunal for assessment year 2008-09. Further, Hon'ble HC has approved the order of Tribunal for allowability of net interest income/expense under section 80-IAB. The management is reasonably confident that no liability will devolve on the Company.

(t) The Company had initiated and recorded the divestment of its entire equity holding in Adani Abbot Point Terminal Holdings Pty Limited ("AAPTHPL") and entire Redeemable Preference Shares holding in Mundra Port Pty Limited ("MPPL") representing Australia Abbot Point Port operations to Abbot Point Port Holdings Pte Limited, Singapore during the year ended March 31, 2013. The sale of securities transaction was recorded as per Share Purchase Agreement ('SPA') entered on March 30, 2013 including subsequent amendments thereto, with a condition to have regulatory and lenders approvals. The Company has all the approvals except in respect of approval from one of the lenders who has given specific line of credit to MPPL. The Company received entire sale consideration except AUD 17.17 Million as on reporting date. The Company expect to receive the said amount in next year. The Company also has outstanding corporate guarantee to a lender of USD 800 million against line of credit to MPPL, which is still outstanding and has also pledged its entire equity holding of 1,000 equity shares of AUD 1 each in MPPL at the reporting date in favour of lender. Outstanding loan against said corporate guarantee as on March 31, 2018 is USD 288.00 million (previous year USD 453.00 million).

Since financial year 2013-14, the Company has received corporate guarantee ('Deed of Indemnity') against above outstanding corporate guarantee from Abbot Point Port Holding Pte Limited, Singapore which is effective till discharge of underlying liability.

39 Interest in a joint Venture entities

The company holds 50% interest in Adani International Container Terminal Private Limited and Adani CMA Mundra Terminal Private Limited, respectively, joint venture entities incorporated in India.

(A) Summarised Balance Sheet and Statement of Profit and Loss of these entities are as below:

₹ In Million

Particulars	Adani CMA Mundra Terminal Private Limited		Adani International Container Terminal Private Limited	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Share Capital and Reserve & Surplus	**479.3**	452.8	**6,336.3**	5,483.2
Non-current Liabilities	**14,666.9**	4,086.0	**24,989.6**	16,199.8
Current Liabilities	**9,841.8**	2,089.0	**13,776.5**	2,144.9
Non-current Assets	**19,109.5**	6,475.7	**43,153.1**	22,284.4
Current Assets	**5,878.5**	152.1	**1,949.3**	1,543.5
	-	-	**-**	-
Revenue	**2,288.1**	27.1	**6,476.6**	5,121.0
Operating Expenses	**(536.6)**	-	**(1,549.4)**	(1,062.0)
Terminal Royalty Expenses	**(245.1)**	-	**(1,099.3)**	(874.7)
Employee Benefit Expenses	**(48.2)**	-	**(78.5)**	(65.0)
Depreciation and Amortisation Expense	**(1,048.8)**	(198.4)	**(1,557.6)**	(1,182.7)
Foreign Exchange (loss)/Gain (net)	**(73.8)**	38.2	**110.0**	150.1
Finance charges	**(819.8)**	(51.0)	**(1,028.8)**	(586.4)
Other Expenses	**(68.9)**	(4.2)	**(306.2)**	(124.3)
Profit / (Loss) before tax	**(553.1)**	(188.3)	**966.8**	1,376.0
Income-tax expense	**-**	(0.1)	**(498.8)**	(838.6)
Profit / (Loss) after tax	**(553.1)**	(188.4)	**468.0**	537.4
Other Comprehensive income	**-***	-	**0.1**	1.4
Total Comprehensive Income	**(553.1)**	(188.4)	**468.1**	538.8
Capital and Other Commitments	**8.5**	13,412.7	**48.3**	22,021.6
Contingent liability not accounted for	-	-	**46.8**	104.9

-* Figures being nullified on conversion to ₹ in Million

(B) Reconciliation of carrying amounts of joint ventures

₹ In Million

Particulars	Adani CMA Mundra Terminal Private Limited		Adani International Container Terminal Private Limited	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Net assets of joint venture entities	**479.3**	452.8	**6,336.3**	5,483.2
Proportion of Group's share	**50%**	50%	**50%**	50%
Group's share	**239.7**	226.4	**3,168.2**	2,741.6
Fair valuation adjustment	**-**	44.9	**-**	-
Elimination from intra-group transactions	**(239.7)**	-	**(3,168.2)**	(2,741.6)
Carrying amount of Group's interest	**-**	271.3	**-**	-

(C) Unrecognised share of losses

₹ In Million

Particulars	Adani CMA Mundra Terminal Private Limited		Adani International Container Terminal Private Limited	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Unrecognised share of loss for the year	**276.6**	94.2	**-**	-
Cumulative shares of loss	**354.2**	77.6	**286.6**	520.6

40 Business Combinations

(a) Business combination accounting for the acquisition of Abbot Point Bulkcoal Pty Limited;

On September 19, 2016, the Abbot Point Operations Pty Limited("APO") a wholly owned subsidiary in Australia had executed a Share Sale Agreement to acquire 100% of the ordinary share capital of Abbot Point Bulkcoal Pty Limited ("APB") from Glencore Coal Queensland Pty Limited (the "Seller"). APB is an unlisted company based in Australia, engaged in the business of operations of Abbot Point Coal Terminal 1 ("APCT 1"). The purchase price of shares is Australian dollar (AUD)1 plus a completion adjustment.

APO also entered into Abbot Point Coal Terminal Operation and Maintenance Contract Variation Agreement ("Variation Agreement") with Adani Abbot Point Terminal Pty Limited, the owner of APCT 1. Under the Variation Agreement, APO paid AUD 15.4 million as security deposit and AUD 3.5 million (excluding GST) in relation to the Operations and Maintenance Agreement. The payment of AUD 3.5 million represents payment for access rights to enable the company to operate APCT 1. This payment and the associated rights acquired are included in company's business combination accounting.

Post-acquisition, the APO becomes the 100% owner of APB and has the control of Operations and Maintenance Agreement with Adani Abbot Point Terminal Pty Limited for the operations of APCT 1.

The acquisition of the APB shares was subject to a number of conditions precedent. The condition precedent were satisfied on October 04, 2016 and the APO obtained control of APB on that date. As such, APO has accounted for the business combination as at October 04, 2016.

During the previous year end, APO was yet to finalise the quantum of the completion adjustment with the Seller, accordingly, no impact of the completion adjustment was reflected in the provisional business combination accounting. For the purpose of the provisional business combination accounting, the difference between the provisional purchase consideration and fair value of tangible assets, liabilities and contingent liabilities acquired, had been allocated to goodwill which amounts to ₹ 52.8 Million .

In current year, on May 11, 2017, APO has received the determination of the calculation of the completion adjustment and paid AUD 778,553 to the seller on May 17, 2017. Consequently there is a change in goodwill amount recognised earlier by ₹ 32.6 Million.

The business combination accounting resulted in the following fair values being allocated to the identifiable assets and liabilities of APB at the acquisition date

Particulars	AUD
Assets	
Property, Plant and Equipment	563,062
Access rights intangible assets	3,500,000
Inventories	3,934,443
Trade Receivables	7,109,376
Cash and Cash Equivalents	1,803,158
Deferred tax assets	1,424,415
Total Assets	**18,334,454**
Liabilities	
Other Non Current Liabilities	3,283,817
Trade Payables	5,591,247
Other Current Liabilities	5,584,294
Total Liabilities	**14,459,358**
Total identifiable net assets at fair value	**3,875,096**
Goodwill arising on Acquisition	**403,457**
Purchase Consideration Transferred (including payment of AUD 3.5 Million for access rights)	**4,278,553**

(b) During the previous year, goodwill amounting to ₹ 205.3 Million arised on acquisition of 100% stake in The Adani Harbour Services Private Limited (formerly known as TM Harbour Services Private Limited), engaged in port services pursuant to share purchase agreement signed on December 07, 2016.

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ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note - 41 - Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

₹ In Million

Name of entity	As at and for the year ended March 31, 2018							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Adani Ports And Special Economic Zone Limited	71.27%	182,832.6	69.33%	24,081.0	84.91%	86.1	69.38%	24,167.1
Subsidiaries Companies		-		-		-		-
Indian		-		-		-		-
The Adani Harbour Services Private Limited	8.18%	20,987.8	25.03%	8,691.8	-	-*	24.95%	8,691.8
Adani Hazira Port Private Limited	6.20%	15,892.7	12.08%	4,196.9	0.99%	1.0	12.05%	4,197.9
Adani Petronet (Dahej) Port Private Limited	2.54%	6,521.2	2.08%	722.8	17.26%	17.5	2.13%	740.3
Shanti Sagar International Dredging Private Limited	0.07%	176.5	0.52%	179.4	-	-*	0.52%	179.4
Adani Kandla Bulk Terminal Private Limited	-0.96%	(2,453.1)	-3.28%	(1,139.5)	0.10%	0.1	-3.27%	(1,139.4)
Dhamra LNG Terminal Private Limited	0.00%	0.3	0.00%	(0.1)	-	-	0.00%	(0.1)
Adani Petroleum Terminal Private Limited	0.00%	(4.2)	-0.02%	(6.1)	-	-	-0.02%	(6.1)
Mundra LPG Terminal Private Limited	0.00%	(1.2)	0.00%	(0.1)	-	-	0.00%	(0.1)
Adani Dhamra LPG Terminal Private Limited	0.00%	(0.1)	0.00%	(0.1)	-	-	0.00%	(0.1)
The Dhamra Port Company Limited	4.22%	10,813.4	-1.30%	(452.4)	0.20%	0.2	-1.30%	(452.2)
Adani Murmugao Port Terminal Private Limited	-0.08%	(204.0)	-1.43%	(496.2)	-	-*	-1.42%	(496.2)
Adani Logistics Limited	1.79%	4,586.1	0.43%	148.3	0.59%	0.6	0.43%	148.9
Adani Vizag Coal Terminal Private Limited	-0.79%	(2,038.4)	-5.33%	(1,852.9)	-	-*	-5.32%	(1,852.9)
Adani Warehousing Services Private Limited	0.01%	21.5	0.06%	21.7	-	-	0.06%	21.7
Adani Hospitals Mundra Private Limited	0.00%	5.8	-0.03%	(11.7)	0.10%	0.1	-0.03%	(11.6)
Mundra International Airport Private Limited	0.00%	4.2	-0.03%	(9.0)	-	-	-0.03%	(9.0)
Mundra SEZ Textile And Apparel Park Private Limited	-0.08%	(193.7)	-0.16%	(57.3)	-	-*	-0.16%	(57.3)
Adinath Polyfills Private Limited	0.00%	(12.8)	0.00%	(1.0)	-	-	0.00%	(1.0)
MPSEZ Utilities Private Limited	0.31%	789.1	0.38%	131.5	0.10%	0.1	0.38%	131.6
Adani Ennore Container Terminal Private Limited	-0.10%	(265.3)	-0.76%	(264.2)	0.20%	0.2	-0.76%	(264.0)
Adani Vizhinjam Port Private Limited	0.76%	1,937.5	-0.02%	(8.5)	-	-	-0.02%	(8.5)
Adani Kattupalli Port Private Limited	5.68%	14,580.7	2.53%	878.1	-	-	2.52%	878.1
Karnavati Aviation Private Limited	0.10%	265.4	-0.11%	(39.1)	-	-*	-0.11%	(39.1)
Hazira Infrastructure Private Limited	0.09%	241.9	0.02%	7.7	-	-	0.02%	7.7
Mundra LPG Infrastructure Private Limited	0.00%	(0.1)	0.00%	(0.1)	-	-	0.00%	(0.1)
Mundra International Gateway Terminal Private Limited	0.00%	0.5	0.00%	-*	-	-	0.00%	-*
Dholera Port And Special Economic Zone Limited	-0.02%	(39.2)	-0.01%	(3.4)	-	-	-0.01%	(3.4)
Dholera Infrastructure Private Limited	-0.02%	(45.1)	-0.01%	(3.8)	-	-	-0.01%	(3.8)
Foreign		-		-		-		-
Abbot Point Operations Pty Limited	-0.02%	(42.8)	-0.01%	(4.8)	-	-	-0.01%	(4.8)
Abbot Point Bulkcoal Pty Limited	0.11%	276.0	0.68%	235.5	-	-	0.68%	235.5
Adani International Terminals Pte Limited	0.00%	(6.2)	-0.02%	(6.2)	-	-	-0.02%	(6.2)
Non-controlling interest	-0.58%	(1,495.6)	-0.47%	(163.3)	-4.44%	(4.5)	-0.48%	(167.8)
Joint Venture Entities		-		-		-		-
Indian		-		-		-		-
Adani International Container Terminal Private Limited	1.23%	3,168.1	0.67%	234.0	-	-*	0.67%	234.0
Adani CMA Mundra Terminal Private Limited	0.09%	239.6	-0.80%	(276.6)	-	-*	-0.79%	(276.6)
Sub total	**100.00%**	**256,539.1**	**100.00%**	**34,732.3**	**100.00%**	**101.4**	**100.00%**	**34,833.7**
CFS Adjustments and Eliminations		(45,850.8)		2,003.9		(7.4)		1,996.5
Total	**100.00%**	**210,688.3**	**100.00%**	**36,736.2**	**100.00%**	**94.0**	**100.00%**	**36,830.2**

-* Figures being nullified on conversion to ₹ in crore.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

₹ In Million

Name of entity	As at and for the year ended March 31, 2017							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Adani Ports And Special Economic Zone Limited	76.36%	168,648.5	79.39%	31,006.1	144.72%	123.3	79.53%	31,129.4
Subsidiaries Companies		-		-		-		-
Indian		-		-		-		-
Adani Kandla Bulk Terminal Private Limited	-0.59%	(1,313.8)	-2.34%	(913.4)	0.47%	0.4	-2.33%	(913.0)
Dhamra LNG Terminal Private Limited	0.00%	0.4	0.00%	-*	-	-*	0.00%	-
Adani Petroleum Terminal Private Limited	0.00%	1.9	0.00%	(0.1)	-	-	0.00%	(0.1)
Mundra LPG Terminal Private Limited	0.00%	(1.1)	0.00%	(1.5)	-	-	0.00%	(1.5)
Adani Dhamra LPG Terminal Private Limited	0.00%	-	0.00%	(0.1)	-	-	0.00%	(0.1)
The Dhamra Port Company Limited	4.60%	10,151.7	9.98%	3,899.6	4.11%	3.5	9.97%	3,903.1
The Adani Harbour Services Private Limited	0.41%	906.3	0.12%	48.8	-	-	0.12%	48.8
Adani Hazira Port Private Limited	6.56%	14,479.8	12.02%	4,695.4	3.52%	3.0	12.00%	4,698.4
Adani Petronet (Dahej) Port Private Limited	2.73%	6,029.2	1.72%	671.5	-77.00%	(65.6)	1.55%	605.9
Shanti Sagar International Dredging Private Limited	0.00%	(2.9)	0.00%	(1.1)	-	-	0.00%	(1.1)
Adani Murmugao Port Terminal Private Limited	0.13%	292.2	-0.20%	(78.5)	-0.12%	(0.1)	-0.20%	(78.6)
Adani Logistics Limited	1.81%	4,007.6	0.24%	93.1	1.17%	1.0	0.24%	94.1
Adani Vizag Coal Terminal Private Limited	-0.08%	(185.6)	-1.03%	(402.3)	0.23%	0.2	-1.03%	(402.1)
Adani Warehousing Services Private Limited	0.00%	(0.2)	0.00%	(0.5)	-	-	0.00%	(0.5)
Adani Hospitals Mundra Private Limited	0.01%	17.4	0.01%	3.1	-	-*	0.01%	3.1
Mundra International Airport Private Limited	0.01%	13.0	-0.03%	(13.6)	-	-	-0.03%	(13.6)
Mundra SEZ Textile And Apparel Park Private Limited	-0.06%	(136.4)	-0.10%	(39.2)	-	-*	-0.10%	(39.2)
Adinath Polyfills Private Limited	-0.01%	(11.9)	0.01%	5.4	-	-	0.01%	5.4
MPSEZ Utilities Private Limited	0.30%	657.5	0.03%	11.7	0.35%	0.3	0.03%	12.0
Adani Ennore Container Terminal Private Limited	0.00%	(1.3)	0.00%	(1.4)	-	-	0.00%	(1.4)
Adani Vizhinjam Port Private Limited	0.88%	1,946.0	-0.05%	(19.4)	-	-	-0.05%	(19.4)
Adani Kattupalli Port Private Limited	6.20%	13,702.7	-0.41%	(161.1)	-	-	-0.41%	(161.1)
Karnavati Aviation Private Limited	-0.03%	(60.0)	-0.07%	(28.3)	1.17%	1.0	-0.07%	(27.3)
Hazira Infrastructure Private Limited	0.11%	234.3	-0.05%	(20.0)	-	-	-0.05%	(20.0)
Mundra LPG Infrastructure Private Limited	0.00%	(0.1)	0.00%	(0.1)	-	-	0.00%	(0.1)
Dholera Port And Special Economic Zone Limited	-0.02%	(35.8)	-0.01%	(3.0)	-	-	-0.01%	(3.0)
Dholera Infrastructure Private Limited	-0.02%	(41.3)	-0.01%	(3.9)	-	-	-0.01%	(3.9)
Foreign		-		-		-		-
Abbot Point Operations Pty Limited	-0.02%	(37.7)	-0.10%	(39.6)	-	-	-0.10%	(39.6)
Abbot Point Bulkcoal Pty Limited	0.01%	24.2	0.19%	73.7	-	-	0.19%	73.7
Non-controlling interest	-0.63%	(1,392.4)	0.26%	100.2	20.54%	17.5	0.30%	117.7
Joint Venture Entities		-		-		-		-
Indian		-		-		-		-
Adani International Container Terminal Private Limited	1.24%	2,741.6	0.69%	268.7	0.82%	0.7	0.69%	269.4
Adani CMA Mundra Terminal Private Limited	0.10%	226.4	-0.24%	(94.2)	-	-	-0.24%	(94.2)
Sub total	**100.00%**	**220,860.2**	**100.00%**	**39,056.0**	**100.00%**	**85.2**	**100.00%**	**39,141.2**
CFS Adjustments and Eliminations		(45,600.4)		59.2		(1.0)		58.2
Total	**100.00%**	**175,259.8**	**100.00%**	**39,115.2**	**100.00%**	**84.2**	**100.00%**	**39,199.4**

-* Figures being nullified on conversion to ₹ in crore.

42 The Company has entered into preliminary agreement with a party for development and maintenance of Liquefied Natural Gas ("LNG") terminal infrastructure facilities at Mundra ("the LNG Project") vide an agreement dated September 30, 2014. Pursuant to the said agreement, the Company had received mobilization advance amounting to ₹ 500Million. The construction activities by the Company and the other party are currently in progress. The Company had, during the quarter ended September 30, 2014, recognised project service revenue of ₹ 2,000 Million towards land reclamation pending conclusion of a definitive agreement based on the activities completed. The implementation of the LNG Project is progressing as per the Company's expectations and the Company and the other party have spent substantial amounts on their respective areas as per the agreement on the LNG Project which are within their scope. The Management based on its assessment of ongoing activities, is of the view that a definitive agreement would be concluded shortly and the Company expects to sell / lease the LNG Project facilities once the definitive agreement is concluded. Accordingly, accrued revenue and the value of assets being constructed by the Company with respect of the LNG Project are considered fully recoverable.

43 a) Adani Vizag Coal Terminal Private Limited - a subsidiary of the Company engaged in Port services under concession from one of the port trust authorities of the Government of India. The port operations have been suspended since January 2016 due to operational bottlenecks, for which the management of the subsidiary company has made representations to the port authorities and Ministry of Shipping for early resolution so as to resume operations expeditiously. The management of the subsidiary company has expressed their inability to operate the terminal on account of various external factors beyond the subsidiary company's control. Under the circumstances, continuance of the terminal in its present form does not appear to be a viable option and the subsidiary company's management has requested the port trust authorities to take further action including terminating the concession agreement. During the year, the Company has assessed the impact of these factors on the appropriateness of the carrying value of the Service Concession Rights in the books of the subsidiary company and has recorded an impairment amounting to ₹ 1551.8 Million based on best estimates by the management.

(b) The Group has determined the recoverable amounts of the Intangible Assets comprising of service concession rights in case of Adani Kandla Bulk Terminal Private Limited and Adani Murmugao Port Terminal Private Limited over its useful life under Ind AS 36 - Impairment of Assets based on the estimates relating to cargo traffic, port tariffs, inflation, discount rates etc. which are considered reasonable by the Management. On a careful evaluation of the aforesaid factors, the Management of the Company has concluded that the Recoverable Amounts of the Intangible Assets is higher than their carrying amounts as at March 31, 2018 and no provision for impairment in respect of these intangible assets is considered necessary at this stage.

44 The National Company Law Tribunal, Ahmedabad Bench vide its order dated July 31, 2017 (for Adani Hazira Port Private Limited ("AHPPL") and Adani Petronet (Dahej) Port Private Limited ("APDPPL") and order dated August 18, 2017 (for Adani Ports and Special Economic Zone Limited ("APSEZL") has approved the scheme of arrangement for demerger of Marine business undertaking with The Adani Harbour Services Private Limited ("TAHSPL") with effect from April, 1, 2016 (the appointed date). The Scheme becomes effective from August 14, 2017 (for AHPPL and APDPPL) and August 23, 2017 (for APSEZL) upon filing of the order with the Registrar of Companies. Pursuant to the Scheme, all the assets, liabilities, income and expenses of the marine business undertaking stand transferred to TAHSPL with the appointed date. Accordingly, the necessary effect has been given in the financials for the year ended on March 31, 2018.

45 Impairment testing of Goodwill

Goodwill acquired through business combination pertains to following Cash Generating Units (CGUs) which are part of "Port and SEZ Activities" Segment:

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
The Dhamra Port Company Limited	**25,593.1**	25,593.1
Adani Kandla Bulk Terminal Private Limited	**0.6**	0.6
Abbot Point Bulkcoal Pty Limited	**20.2**	52.8
The Adani Harbour Services Private Limited	**205.3**	205.3
Adani Petronet (Dahej) Port Private Limited	**2.2**	2.2
Adani Logistics Limited	**27.1**	27.1
Adinath Polyfills Private Limited	**374.2**	374.2
Goodwill relating to Merger of Adani Port Limited	**448.6**	448.6
Total	**26,671.3**	26,703.9

The goodwill is tested for impairment annually and as at March 31, 2018, the goodwill was not impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money. The growth rates are based on management's forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its forecasts based on the most recent financial budgets approved by management with projected revenue growth rates ranging from 6% to 20%.

The rates used to discount the forecasts is 7.5%.p.a.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

46 During the year, the Company has transferred Container Terminal Infrastructure Assets to Adani CMA Mundra Terminal Private Limited ("ACMTPL") and Adani International Container Terminal Private Limited ("AICTPL"), a (50:50) joint venture entity, w.e.f. May 15, 2017 and November 1, 2017 respectively. The income from sale /sub-lease of core port assets aggregating to ₹ 22,021.7 Million are included in revenue from operations (refer note 20) and corresponding related costs are shown under head Operating Expenses (refer note 22).

47 Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III the Companies Act, 2013 for the year ended March 31, 2018. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

₹ in Million

Sr. No.	Particulars	March 31, 2018	March 31, 2017
a	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	**0.9**	5.6
	Interest	**Nil**	Nil
b	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	**Nil**	Nil
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	**Nil**	Nil
d	The amount of interest accrued and remaining unpaid at the end of each accounting year.	**Nil**	Nil
e	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 MSMED Act 2006.	**Nil**	Nil

48 Standards issued but not effective:

On March 28, 2018, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying amendments to the following Ind AS's. These amendments will be applicable from April 1, 2018.

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

The Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix. The Appendix is effective for annual periods beginning on or after 1 April 2018.

The Appendix is effective for annual periods beginning on or after April 1, 2018.

The Group is evaluating the requirements of the amendments and the effects on the consolidated financial statements, which is not expected to be material.

Ind AS 115 - Revenue from Contract with Customers

The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach), the effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Group is evaluating the requirements of the new accounting standard and the possible transition adjustments for disclosure of comparatives for the year ended March 31, 2018.

Ind AS 112 Disclosure of Interests in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

These amendments are unlikely to affect the Group's consolidated financial statements.

Ind AS 12 Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018.
These amendments are unlikely to affect the Group's consolidated financial statements.

Ind AS 40 Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

These amendments are unlikely to affect the Group's consolidated financial statements.

Ind AS 28 Investment in Associates and Joint Ventures

The amendments clarify that a venture capital organisation or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. Further, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method. Therefore, this choice is available, at initial recognition, for each investment entity associate or joint venture.

These amendments are unlikely to affect the Group's consolidated financial statements.

49 Events occurred after the Balance Sheet Date

(i) The Board of Directors has recommended Equity dividend of ₹ 2 per share for the financial year 2017-18 (previous year ₹ 1.30 per share).

(ii) The Group has entered into share purchase agreement on April 26, 2018 with Microgate Trading Company Private Limited for acquisition of 100% equity stake (69,10,880 equity shares of ₹ 10 each) of Blue Star Realtors Private Limited at a consideration of ₹ 241.4 Million.

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Karan Adani
[Wholetime Director and CEO]
DIN : 03088095

Dipti Shah
[Company Secretary]

Place : Ahmedabad
Date: May 03, 2018

INDEPENDENT AUDITOR'S REPORT
To The Members of Adani Ports and Special Economic Zone Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Adani Ports and Special Economic Zone Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated 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, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries and joint venture referred to in the Other Matters section below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to:

(i) Note 39 to the consolidated financial statements, which describes the management's assessment for recoverability of the project cost incurred by Parent, pending execution of definitive agreements between the parties.

(ii) Note 40(b) to the consolidated financial statements which describes the key sources of estimation uncertainties as at March 31, 2019 relating to the recoverability of the carrying amount of property, plant and equipment and intangible assets amounting to ₹3,554.1 Million in case of Adani Murmugao Port Terminal Private Limited and ₹8,342.0 Million in case of Adani Kandla Bulk Terminal Private Limited, subsidiaries of the Parent.

Our report is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Goodwill — Dhamra Port Company Limited ["Dhamra port"] — Refer to Note 42 to the consolidated financial statements

Key Audit Matter Description

The Company's evaluation of goodwill for impairment involves the comparison of the recoverable value of cash-generating unit to its carrying value. The Company used the discounted cash flow model to estimate recoverable value, which requires management to make significant estimates and assumptions related to forecasts of future revenues and operating margins, and discount rates. Changes in these assumptions could have a significant impact on either the recoverable value, the amount of any goodwill impairment charge, or both.

The goodwill balance was ₹25,593.1 Million as of March 31, 2019 is pertaining to Dhamra Port. The recoverable value of Dhamra Port exceeded its carrying value as of the measurement date and, therefore, no impairment was recognized.

We focused on this area as Key Audit Matter due to the size/materiality of the goodwill balance, and because the Group's assessment of the 'value in use' of the cash generating unit involves judgements about the future results of the business and the discount rates applied to future cash flow forecasts.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to forecasts of future revenue, operating margins and cash flows and selection of the discount rate for impairment assessment of goodwill related to Dhamra Port included the following :

- We tested the Design, Implementation and Operating effectiveness of controls over impairment assessment process, including those over the forecasts of future revenue, operating margins and cash flows including selection of the discount rate.
- We evaluated the reasonableness of management's revenue and operating

margin forecasts by comparing the forecasts to:

- Historical revenues and operating margins.
- Internal communications to management and the Board of Directors.

- With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rate by:
  - Testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation.
  - Developing a range of independent estimates and comparing those to the discount rate selected by management.

Property, plant and Equipment & Intangible assets for Service Concession Arrangement — Refer to Note 40(b) to the consolidated financial statements

Key Audit Matter Description

The Group has entered into Service Concession Arrangement ("SCAs") for its port facilities at Kandla and Goa. The cost of infrastructure facilities forming part of the SCAs are classified as Intangible assets along with certain tangible assets. As of March 31, 2019, the aggregate carrying value of these assets is ₹11,896.1 Million.

The Company's evaluation of impairment of these assets involves the comparison of recoverable value of each cash-generating unit to its corresponding carrying value. The Company used the discounted cash flow model to estimate recoverable value, which requires management to make significant estimates and assumptions related to forecasts of future revenues and operating margins, and discount rates. Changes in these assumptions could have a significant impact on either the recoverable value, the amount of any impairment charge, or both.

We focused on this area as Key Audit Matter due to the size/materiality of the balance of assets under the SCA and because the Group's assessment of the 'value in use' of the cash generating unit involves judgements about the future results of the business and the discount rates applied to future cash flow forecasts.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to forecasts of future revenue and operating margin and selection of the discount rate for these SCAs included the following, among others:

- We tested the Design, Implementation and Operating effectiveness of controls over impairment assessment process, including those over the forecasts of future revenue and operating margin, and the selection of the discount rate.
- We evaluated the reasonableness of management's revenue and operating margin forecasts by comparing the forecasts to:
    - Historical revenues and operating margins.
    - Internal communications to management and the Board of Directors.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rate by:
    - Testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation.
    - Developing a range of independent estimates and comparing those to the discount rate selected by management.

Business Combinations — Marine Infrastructure Developers Private Limited ("MIDPL") & Adani Agri Logistics Companies ("AALL") — Refer to Note 37(i) to the consolidated financial statements]

Key Audit Matter Description

During the year, the Group has acquired the businesses of MIDPL and AALL for a consideration of ₹19,500.0 Million and ₹9,457.0 Million respectively. The Group accounted for the acquisitions under the acquisition method of accounting for business combinations. Accordingly, the purchase price was allocated to the assets acquired and liabilities (including contingent liabilities, if any) assumed based on their fair values on their respective acquisition dates.

The determination of such fair values for the purpose of purchase price allocation was considered to be a key focus area of our audit as the fair valuation process involves judgments and estimates such as appropriateness of the valuation methodology applied and the discount rates applied to future cash flow forecasts.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the reasonability of the fair values assigned to assets acquired and liabilities assumed included the following :

- We tested the Design, Implementation and Operating effectiveness of controls over the purchase price allocation process
- With the assistance of our fair value specialists, we evaluated (1) the appropriateness of the valuation methodologies for identified intangibles and (2) reasonableness of the valuation assumptions viz. discount rate / contributory asset charge, as applicable discount rate, including testing the source information underlying the determination of the discount rate, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rate selected by

independent valuers and relied upon by the management.

- We evaluated the competencies, capabilities and objectivity of the independent valuers engaged by the Company's management for value analysis of tangible and intangible assets.

Recoverability of project asset cost — Refer to Note 39 to the consolidated financial statements

Key Audit Matter Description

The group's assets include project inventories of ₹5,628.9 Million towards construction of project facilities as referred to in a preliminary agreement entered into by the Parent with one of its customers. Pending definitive agreement between the parties, the assessment of recoverability of the project assets involved judgement and hence considered a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the assessment of recoverability of aforesaid balances included the following:

- We tested key controls over the management judgments and the assumptions-setting processes including judgments regarding expected realization date and value
- Assessing the underlying preliminary agreement, project progress reports, the reports of the committee set up by the customer to facilitate the execution of definitive agreements with the Company and various communications between the Company and the customer, which indicate that considerable progress has been made towards signing of the definitive agreements.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report of even date and annexures thereof, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far

as it relates to subsidiaries and joint venture, is traced from their financial statements audited by the other auditors.

- 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 Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group (and of its joint ventures) are responsible for assessing the ability of the Group (and of its joint ventures) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Parent 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 ability of the Group and its joint ventures 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 consolidated 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 Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the

independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 51 subsidiaries, whose financial statements reflect total assets of ₹172,227.0 Million as at March 31, 2019, total revenues of ₹37,089.3 Million and net cash inflows amounting to ₹14,466.8 Million on for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹1,006.9 Million for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and joint venture is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) We did not audit the financial information of one subsidiary, whose financial information reflect total assets of Nil as at March 31, 2019, total revenues of Nil

and net cash inflows amounting to Nil for the year ended on that date, as considered in the consolidated financial statements. This financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint venture referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated 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 of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint ventures companies incorporated in India, none of the directors of the Group companies and joint ventures companies incorporated in India is disqualified as on March 31, 2019 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the

Parent, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint ventures ;

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

/s/ Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad, May 27, 2019

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Adani Ports and Special Economic Zone Limited (hereinafter referred to as "Parent"), its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls
The respective Board of Directors of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India, 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 and the audit evidence obtained by other auditors of the subsidiary companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the

internal financial controls system over financial reporting of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India.

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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, have, 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, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 45 subsidiary companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad, May 27, 2019

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Balance Sheet as at March 31, 2019

₹ in Million

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	**227,809.3**	184,440.6
Capital Work-in-Progress		**44,834.8**	45,454.6
Goodwill	3	**32,679.3**	26,671.3
Other Intangible Assets	3	**20,725.6**	15,588.2
Investments accounted using Equity Method	4	**30.0**	-
Financial Assets			
Investments	4	**2,654.9**	5,591.4
Trade Receivables	5	**-**	21.4
Loans	6	**-**	28.0
Loans to Joint Venture Entities	6	**12,195.4**	11,930.6
Other Financial Assets	7	**43,467.3**	14,908.3
Deferred Tax Assets (net)	26	**10,283.8**	13,105.4
Other Non-Current Assets	8	**24,282.8**	13,142.4
		418,963.2	330,882.2
Current Assets			
Inventories	9	**8,066.8**	5,202.9
Financial Assets			
Investments	10	**5,138.1**	5,197.8
Trade Receivables	5	**24,319.1**	35,379.1
Customers' Bills Discounted		**3,577.5**	7,720.0
Cash and Cash Equivalents	11	**47,981.9**	8,234.8
Bank Balances other than above	11	**11,691.1**	21,440.7
Loans	6	**12,781.1**	14,845.8
Loans to Joint Venture Entities	6	**2,695.0**	203.1
Other Financial Assets	7	**21,532.0**	12,583.5
Advance paid for Acquisition		**-**	18,250.0
Other Current Assets	8	**8,528.8**	13,811.3
		146,311.4	142,869.0
Total Assets		**565,274.6**	473,751.2
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	**4,141.9**	4,141.9
Other Equity	13	**241,240.1**	206,546.4
Total Equity attributable to Equity holders of the parent		**245,382.0**	210,688.3
Non-Controlling Interests		**2,099.4**	1,495.6
Total Equity		**247,481.4**	212,183.9
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	**198,833.2**	206,289.7
Other Financial Liabilities	15	**1,660.5**	1,444.4
Provisions	19	**39.0**	42.2
Deferred Tax Liabilities (net)	26	**2,160.3**	1,424.0
Other Non-Current Liabilities	16	**11,583.3**	12,277.4
		214,276.3	221,477.7
Current Liabilities			
Financial Liabilities			
Borrowings	17	**61,881.2**	11.7
Customers' Bills Discounted	17	**3,577.5**	7,720.0
Trade and Other Payables	18		
- total outstanding dues of micro enterprises and small enterprises		**20.7**	0.7
- total outstanding dues of creditors other than micro enterprises and small enterprises		**5,700.0**	4,896.6
Other Financial Liabilities	15	**25,416.7**	20,584.0
Provisions	19	**992.5**	982.2
Liabilities for Current Tax (net)	26	**285.6**	1,286.2
Other Current Liabilities	16	**5,642.7**	4,608.2
		103,516.9	40,089.6
Total Liabilities		**317,793.2**	261,567.3
Total Equity and Liabilities		**565,274.6**	473,751.2

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date: May 27, 2019

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Karan Adani
[Wholetime Director and CEO]
DIN : 03088095

Deepak Maheshwari
[Chief Financial Officer]

Place : Ahmedabad
Date: May 27, 2019

Kamlesh Bhagia
[Company Secretary]

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2019

₹ in Million

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from Operations	20	**109,254.4**	113,229.6
Other Income	21	**13,623.4**	10,109.3
Total Income		**122,877.8**	123,338.9
Expenses			
Operating Expenses	22	**27,608.0**	32,318.3
Employee Benefits Expense	23	**5,298.1**	4,473.2
Depreciation and Amortisation Expense	3	**13,734.8**	11,883.7
Foreign Exchange Loss (net)		**4,759.2**	832.9
Finance Costs	24		
Interest and Bank Charges		**14,283.0**	12,573.5
Derivative (Gain)/Loss (net)		**(431.1)**	2,380.2
Other Expenses	25	**5,673.5**	4,984.0
Total Expenses		**70,925.5**	69,445.8
Profit before share of profit from joint venture entities, exceptional items and tax		**51,952.3**	53,893.1
Exceptional items	39 & 40(a)	**(689.5)**	(1,551.8)
Profit before share of profit from joint venture entities and tax		**51,262.8**	52,341.3
Tax expense:	26		
Current tax		**10,576.0**	15,463.9
Deferred tax		**2,193.1**	928.3
Less: Tax (credit) under Minimum Alternate Tax (MAT)		**(1,954.4)**	(950.4)
Total tax expense		**10,814.7**	15,441.8
Profit after tax and before share of profit from joint venture entities		**40,448.1**	36,899.5
Share of profit from joint venture entities		**(0.6)**	-
Profit for the Year	(A)	**40,447.5**	36,899.5
Attributable to:			
Equity holders of the parent		**39,902.2**	36,736.2
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement (losses)/gains on defined benefit plans		**(25.5)**	8.7
Income tax impact		**3.2**	(2.8)
		(22.3)	5.9
Net Gains on FVTOCI Equity Investments		**232.5**	117.4
Income tax impact		**(54.1)**	(17.4)
		178.4	100.0
Items that will be reclassified to profit or loss in subsequent periods			
Exchange difference on translation of foreign operations		**(2.0)**	(7.4)
		(2.0)	**(7.4)**
Total Other Comprehensive Income for the year (net of tax)	(B)	**154.1**	98.5
Attributable to:			
Equity holders of the parent		**158.5**	94.0
Non-controlling interests		**(4.4)**	4.5
Total Comprehensive income for the year (net of tax)	(A)+(B)	**40,601.6**	36,998.0
Attributable to:			
Equity holders of the parent		**40,060.7**	36,830.2
Non-controlling interests		**540.9**	167.8
Earnings per Share - (Face value of ₹ 2 each) Basic and Diluted (in ₹)	27	**19.27**	17.74

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date: May 27, 2019

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Karan Adani
[Wholetime Director and CEO]
DIN : 03088095

Deepak Maheshwari
[Chief Financial Officer]

Place : Ahmedabad
Date: May 27, 2019

Kamlesh Bhagia
[Company Secretary]

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

₹ In Million

Particulars	Attributable to equity holders of the parent										Non-controlling interest	Total equity
	Equity share capital	Other Equity								Total		
		Equity Component of Non Cumulative Redeemable Preference shares	Reserve & Surplus						Other Comprehensive Income			
			Securities Premium	Foreign Currency Monetary item Translation Difference Account	Debenture Redemption Reserve	Tonnage Tax Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Equity instrument through OCI		
Balance as at April 1, 2018	**4,141.9**	**1,658.8**	**25,517.2**	**(371.3)**	**6,617.1**	**3,195.0**	**22,608.7**	**145,820.0**	**(0.1)**	**1,501.0**	**210,688.3**	**1,495.6**	**212,183.9**
Profit for the year	-	-	-	-	-	-	-	39,902.2	-	-	39,902.2	545.3	40,447.5
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	-	(22.3)	-	-	(22.3)	-	(22.3)
Net Gains on FVTOCI Equity Investments (net of tax)	-	-	-	-	-	-	-	-	-	182.8	182.8	(4.4)	178.4
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(2.0)	-	(2.0)	-	(2.0)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,879.9**	**(2.0)**	**182.8**	**40,060.7**	**540.9**	**40,601.6**
Dividend on shares	-	-	-	-	-	-	-	(4,141.9)	-	-	(4,141.9)	-	(4,141.9)
Dividend distribution tax (DDT)	-	-	-	-	-	-	-	(856.4)	-	-	(856.4)	-	(856.4)
Dividend to Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	(54.2)	(54.2)
Foreign exchange gain/(loss) during the Year	-	-	-	(1,534.7)	-	-	-	-	-	-	(1,534.7)	-	(1,534.7)
Amortised in consolidated statement of profit and loss	-	-	-	1,195.3	-	-	-	-	-	-	1,195.3	-	1,195.3
Transfer to General Reserve	-	-	-	-	(3,150.0)	-	3,150.0	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	(33.4)	-	-	(33.4)	-	(33.4)
Increase in Non-Controlling Interests on account of acquisition	-	-	-	-	-	-	-	-	-	-	-	119.7	119.7
Gain on increase in non controlling interest	-	-	-	-	-	-	-	4.1	-	-	4.1	(4.1)	-
Increase in share capital of non controlling Interest	-	-	-	-	-	-	-	-	-	-	-	1.5	1.5
Transfer to Debenture Redemption Reserve	-	-	-	-	1,673.3	-	-	(1,673.3)	-	-	-	-	-
Transfer from/to Tonnage Tax Reserve	-	-	-	-	-	2,103.2	-	(2,103.2)	-	-	-	-	-
Balance as at March 31, 2019	**4,141.9**	**1,658.8**	**25,517.2**	**(710.7)**	**5,140.4**	**5,298.2**	**25,758.7**	**176,895.8**	**(2.1)**	**1,683.8**	**245,382.0**	**2,099.4**	**247,481.4**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date: May 27, 2019

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Karan Adani
[Wholetime Director and CEO]
DIN : 03088095

Place : Ahmedabad
Date : May 27, 2019

Rajesh S. Adani
[Director]
DIN : 00006322

Deepak Maheshwari
[Chief Financial Officer]

Kamlesh Bhagia
[Company Secretary]

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

₹ In Million

Particulars	Attributable to equity holders of the parent											Non-controlling interest	Total equity
	Equity share capital	Other Equity									Total		
		Equity Component of Non Cumulative Redeemable Preference shares	Reserves and Surplus						Other Comprehensive Income				
			Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Debenture Redemption Reserve	Tonnage Tax Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Equity instrument through OCI			
Balance as at April 1, 2017	**4,141.9**	**1,658.8**	**25,357.0**	**(745.5)**	**4,762.1**	**33.0**	**21,415.5**	**117,224.2**	**7.3**	**1,405.5**	**175,259.8**	**1,392.4**	**176,652.2**
Impact of Demerger (refer note 41)	-	-	-	-	-	-	-	1,239.6	-	-	1,239.6	-	1,239.6
Impact of Demerger on Non-controlling interest (refer note 41)	-	-	-	-	-	-	-	64.6	-	-	64.6	(64.6)	-
Profit for the year (A)	-	-	-	-	-	-	-	36,736.2	-	-	36,736.2	163.3	36,899.5
Other Comprehensive Income	-	-	-	-	-	-	-	-		-	-	-	-
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	-	5.9	-	-	5.9	-	5.9
Net Gains on FVTOCI Equity Investments (net of tax)	-	-	-	-	-	-	-	-	-	95.5	95.5	4.5	100.0
Exchange difference on translation of foreign operations (D)	-	-	-	-	-	-	-	-	(7.4)	-	(7.4)	-	(7.4)
Total Comprehensive Income for the year (A+B+C+D)	-	-	-	-	-	-	-	**36,742.1**	**(7.4)**	**95.5**	**36,830.2**	**167.8**	**36,998.0**
Dividend on shares	-	-	-	-	-	-	-	(2,692.2)	-	-	(2,692.2)	-	(2,692.2)
Dividend distribution tax (DDT)	-	-	-	-	-	-	-	(548.1)	-	-	(548.1)	-	(548.1)
Foreign exchange gain /(loss) during the Year	-	-	-	(79.2)	-	-	-	-	-	-	(79.2)	-	(79.2)
Amortised in consolidated statement of profit and loss	-	-	-	453.4	-	-	-	-	-	-	453.4	-	453.4
Transfer to General Reserve	-	-	-	-	(1,193.2)	-	1,193.2	-	-	-	-	-	-
Share in Securities Premium of Joint Venture	-	-	160.2	-	-	-	-	-	-	-	160.2	-	160.2
Transfer to Debenture Redemption Reserve	-	-	-	-	3,048.2	-	-	(3,048.2)	-	-	-	-	-
Transfer to Tonnage Tax Reserve	-	-	-	-	-	3,162.0	-	(3,162.0)	-	-	-	-	-
Balance as at March 31, 2018	**4,141.9**	**1,658.8**	**25,517.2**	**(371.3)**	**6,617.1**	**3,195.0**	**22,608.7**	**145,820.0**	**(0.1)**	**1,501.0**	**210,688.3**	**1,495.6**	**212,183.9**

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Statement of Cash flows for the Year ended March 31, 2019

₹ In Million

	Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
A	**Cash Flows from Operating Activities**		
	Net profit before Tax	**51,262.8**	52,341.3
	Adjustments for :		
	Depreciation and Amortisation Expense	**13,734.8**	11,883.7
	Unclaimed Liabilities / Excess Provision Written Back	**(189.7)**	(19.3)
	Cost of Assets transferred under Finance Lease	**341.5**	119.6
	Recognition of Deferred Income under Long Term Land Lease / Infrastructure Usage Agreements	**(625.6)**	(583.7)
	Financial Guarantees Income	**(58.7)**	(43.7)
	Amortisation of Government Grant	**(114.5)**	(85.7)
	Finance Cost	**14,283.0**	12,573.5
	Effect of Exchange Rate Change	**4,473.0**	1,464.0
	Derivative (Gain)/Loss (net)	**(431.1)**	2,380.2
	Provision/(Reversal) of Doubtful Debts	**241.5**	(1.9)
	Interest Income	**(12,201.9)**	(9,010.8)
	Dividend Income	**(70.0)**	(40.0)
	Net Gain on Sale of Current Investments	**(430.2)**	(346.4)
	(Reversal)/Provision for Impairment (refer note 40 (a))	**(529.5)**	1,551.8
	De-recognition of accrued revenue (refer note 39)	**1,219.0**	-
	Investment accounted using Equity Method	**-**	753.6
	Gain on Loss of Control of subsidiaries	**(5.0)**	-
	Diminution in value of Inventories	**26.4**	3.0
	Amortisation of fair valuation adjustment on Security Deposit	**74.9**	92.3
	Loss on Sale / Discard of Property, Plant and Equipment (net)	**41.4**	112.6
	Operating Profit before Working Capital Changes	**71,042.1**	73,144.1
	Adjustments for :		
	Decrease/(Increase) in Trade Receivables	**12,642.6**	(15,614.7)
	(Increase)/Decrease in Inventories	**(2,569.2)**	448.7
	(Increase) in Financial Assets	**(9,611.7)**	(4,894.3)
	(Increase)/Decrease in Other Assets	**(3,189.8)**	11,629.7
	(Decrease)/Increase in Provisions	**(39.3)**	44.3
	Increase/(Decrease) in Trade Payables	**795.8**	(250.6)
	Increase in Other Financial Liabilities	**1,270.2**	842.9
	Increase in Other Liabilities	**1,018.4**	723.1
	Cash Generated from Operations	**71,359.1**	66,073.2
	Direct Taxes paid (Net of Refunds)	**(11,065.1)**	(9,991.8)
	Net Cash generated from Operating Activities	**60,294.0**	56,081.4
B	**Cash Flows from Investing Activities**		
	Purchase of Property, Plant and Equipment (including Capital Work-in-progress, other intangible assets, capital advances and capital creditors)	**(29,404.9)**	(27,321.5)
	(Payment)/Refund of Deposit given against Capital Commitments	**(20,646.1)**	(1,928.4)
	Payment for acquisition of subsidiaries	**(14,781.6)**	(3,750.0)
	Equity investment in Joint Venture entities	**(30.6)**	(551.8)
	Redemption of/(Investment in) Non Convertible Redeemable Debentures	**3,170.0**	(3,170.0)
	Loans given	**(193,062.2)**	(99,176.5)
	Loans received back	**192,663.1**	97,629.6
	Proceeds from/(Deposits in) Fixed Deposits (net) including Margin Money Deposits	**10,055.4**	(11,076.7)
	Proceeds from sale of Investments in Mutual Fund (net)	**173.4**	483.5
	Sale of Investments in short term Debentures and Commercial Papers (net)	**480.0**	3,960.0
	Proceeds from Sale of Property, Plant and Equipment	**538.3**	343.7
	Dividend Received	**70.0**	40.0
	Interest Received	**6,533.7**	6,059.7
	Net Cash used in Investing Activities	**(44,241.5)**	(38,458.4)

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Statement of Cash flows for the Year ended March 31, 2019

₹ In Million

	Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
C	**Cash Flows from Financing Activities**		
	Proceeds from Long Term Borrowings	**1,546.3**	56,956.3
	Repayment of Long Term Borrowings	**(18,099.9)**	(32,912.4)
	Proceeds from Short Term Borrowings	**363,486.8**	157,417.9
	Repayment of Short Term Borrowings	**(303,855.8)**	(183,455.9)
	Interest & Finance Charges Paid	**(14,717.2)**	(11,639.5)
	Loss on settlement of Derivative Contracts	**(176.3)**	(2,017.0)
	Payment of Dividend on Equity and Preference Shares	**(4,184.8)**	(2,691.6)
	Payment of Dividend Distribution Tax	**(865.7)**	(548.1)
	Net Cash Generated from/(used in) Financing Activities	**23,133.4**	(18,890.3)
D	**Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)**	**39,185.9**	(1,267.3)
E	**Cash and Cash Equivalents at the Beginning of the year (refer note 11)**	**8,234.8**	9,502.1
F	**Cash and Cash Equivalents on acquisition of subsidiaries (refer note 37)**	**914.4**	-
G	**Reduction in Cash and Cash Equivalents on account of loss of control of subsidiaries**	**(353.2)**	-
H	**Cash and Cash Equivalents at the End of the year (refer note 11)**	**47,981.9**	8,234.8
	Components of Cash & Cash Equivalents		
	Cash on Hand	**2.3**	1.3
	Cheques on hand	**-**	2,418.6
	Balances with Scheduled Banks		
	- In Current Accounts	**46,128.9**	5,480.5
	- In Fixed Deposit Accounts	**1,850.7**	334.4
	Cash and Cash Equivalents at the end of the year	**47,981.9**	8,234.8

Summary of significant accounting policies refer note 2.3

1 The Consolidated 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 Standards) Rules, 2015 (as amended).

2 a) During the year, Group has made investment in Mutual Fund of ₹ 882,276.1 Million (previous year ₹ 560,727.6 Million) and redeemed Mutual Fund of ₹ 882,449.5 Million (previous year ₹ 561,211.1 Million).

b) During the year, Group has made short term investment in Debenture and Commercial Paper of ₹ 4,920.0 Million (previous year ₹ 10,500.0 Million) and redeemed Debenture and Commercial Paper of ₹ 5,400.0 Million (previous year ₹ 14,460.0 Million).

3 Disclosure under Para 44A as set out in Ind AS 7 on Statement of Cash Flows under Companies is given as per note 15(c).

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date:- May 27,2019

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Karan Adani
[Wholetime Director and CEO]
DIN : 03088095

Deepak Maheshwari
[Chief Financial Officer]

Place:- Ahmedabad
Date:- May 27, 2019

Kamlesh Bhagia
[Company Secretary]

1 Corporate information

The Consolidated financial statements comprise financial statements of Adani Ports and Special Economic Zone Limited ("the Company" or "APSEZL") , its joint venture entities and subsidiaries (collectively, the "Group") for the year ended March 31, 2019. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad, Gujarat, India - 380009.

The Group has port infrastructure facilities at Mundra, Kandla, Hazira, Dahej, Dhamra, Vizag, Murmugao, Kattupalli, Ennore locations developed pursuant to the respective concession/sub concession agreements apart from other business. The Group is also developing port infrastructure at Vizhinjam.

The Company is in the business of development, operations and maintenance of port infrastructure (port services and related infrastructure development) and has linked multi product Special Economic Zone (SEZ) and related infrastructure contiguous to Port at Mundra. The initial port infrastructure facilities at Mundra including expansion thereof through development of additional port terminals and south port terminal infrastructure facilities are developed pursuant to the concession agreement with Government of Gujarat (GoG) and Gujarat Maritime Board (GMB) for 30 years period effective from February 17, 2001. At Mundra, the Company has expanded port infrastructure facilities through approved supplementary concession agreement (pending to be concluded) which will be effective till the year 2040, whereby port infrastructure has been developed at Wandh in Mundra to handle coal cargo. The said agreement is in the process of getting signed with GoG and GMB although Coal terminal at Wandh is recognized as commercially operational w.e.f. February 01, 2011.

The first Container terminal facilities (CT-1) developed at Mundra, was transferred under sub-concession agreement entered into on January 7, 2003 between Mundra International Container Terminal Limited ("MICTL") and the Company wherein the Company has given rights to MICTL to handle the container cargo for a period of 28 years i.e. up to February 17, 2031. The container terminal facilities developed at South Port location (CT-3) has been leased under approved sub concession agreement dated October 17, 2011 to (50:50) joint venture company, Adani International Container Terminal Private Limited ("AICTPL"), co-terminate with main concession agreement with GMB. During the previous year the Company has entered into an arrangement with the Adani International Container Terminal Private Limited ("AICTPL"), a Joint Venture, to sub lease new terminal CT-3 Extension besides CT-3. The said terminal commenced operations w.e.f. November 01, 2017. The said sub-concession agreement is pending to be concluded with GOG and GMB. Another container terminal facilities developed at South Port location (CT-4) has been leased to (50:50) joint venture company, Adani CMA Mundra Terminal Private Limited ("ACMTPL") (joint venture arrangement with CMA Terminals, France since July 30, 2014). The execution of sub-concession agreement between the Company, ACMTPL and GMB is pending as on date.

The Multi Product Special Economic Zone developed at Mundra by the Company along with port infrastructure facilities is approved by the Government of India vide their letter no. F-2/11/2003/EPZ dated April 12, 2006 and subsequently amended from time to time till date. The Company has also set up Free Trade and Warehousing Zone at Mundra based on approval of Ministry of Commerce and Industry vide letter no.F.1/16/2011-SEZ dated January 04, 2012. The Company has also set up additional Multi Product Special Economic Zone at Mundra Taluka over an area of 1,856 hectares as per approval from Ministry of Commerce and Industry vide approval letter dated April 24, 2015. The Company has received single notification consolidating all three notified SEZ in Mundra vide letter dated March 15, 2016 of Ministry of Commerce and Industry, Department of Commerce (SEZ Section).

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 27, 2019.

The entities considered for consolidation and their nature of operations are as follows:

i) Adani Logistics Limited ("ALL"), a 100% subsidiary of APSEZL, has developed multi-model cargo storage-cum-logistics services through development of Inland Container Depots (ICDs) and Container Freight Stations (CFSs) at various strategic locations and operates container trains on specific railway routes as per concession agreement entered into with Ministry of Railways, Government of India.

ii) MPSEZ Utilities Private Limited ("MUPL"), is a 100% subsidiary of APSEZL, has developed infrastructure including operation, development, maintenance, improvement, and extension of utility services (including power distribution) at Mundra Special Economic Zone in Kutch district, Gujarat.

iii) Mundra SEZ Textile and Apparel Park Private Limited ("MITAP"), a 49.88% subsidiary of APSEZL & 5.40% investment held through ALL (a 100% subsidiary of APSEZL), has set up an integrated textile park under the scheme of Ministry of Textiles, Government of India in Special Economic Zone at Mundra, Kutch district, Gujarat.

iv) Karnavati Aviation Private Limited ("KAPL"), a 100% subsidiary of APSEZL, is engaged in providing non scheduled (passenger) airline services through its aircrafts.

v) Adani Petronet (Dahej) Port Private Limited ("APDPPL"), a 74% subsidiary of APSEZL, has developed a Solid Cargo Port Terminal and related port infrastructure facilities of bulk cargo at Dahej, Gujarat.

vi) Adani Murmugao Port Terminal Private Limited ("AMPTPL"), a 100% subsidiary of APSEZL, has developed port infrastructure facilities i.e. coal handling terminal at Murmugao, Goa.

vii) Mundra International Airport Private Limited ("MIAPL"), a 100% subsidiary of APSEZL, has plan to set up air cargo operations at Kawai, Rajasthan.

viii) Adani Hazira Port Private Limited ("AHPPL"), a 100% subsidiary of APSEZL, has developed multi – cargo terminal and related infrastructure at Hazira - Surat (Gujarat). The further expansion of port facilities is under development.

ix) Hazira Infrastructure Private Limited ("HIPL"), a step down subsidiary of APSEZL, a 100% subsidiary of Adani Hazira Port Private Limited has plans to develop and construct rail corridor between Surat and Hazira along with related infrastructure subject to approval by Railway Board and Government of Gujarat.

x) Mundra LPG Infrastructure Private Limited ("MLIPL") (formerly known as Hazira Road Infrastructure Private Limited), a 100% subsidiary of APSEZL and propose to develop LPG infrastructure.

xi) Adinath Polyfills Private Limited ("APPL") a 100% subsidiary of APSEZL and was strategically acquired to enhance the port business.

xii) Adani Vizag Coal Terminal Private Limited ("AVCTPL") is a 100% subsidiary of APSEZL. The Company has developed Port infrastructure facilities at East Quay for handling steam coal at Visakhapatnam Port.

xiii) Adani Kandla Bulk Terminal Private Limited ("AKBTPL") is a 100% subsidiary of APSEZL. The Company has developed a Dry Bulk terminal off Tekra near Tuna outside Kandla creek at Kandla Port.

xiv) Adani Warehousing Services Private Limited ("AWSPL") is a 100% subsidiary of APSEZL. The Company is formed to provide warehousing / storage facilities and other related services.

xv) Adani Ennore Container Terminal Private Limited ("AECTPL") is a 100% subsidiary of APSEZL. The Company has developed container terminal and other related infrastructure at Ennore Port.

xvi) Adani Hospitals Mundra Private Limited ("AHMPL") is a 100% subsidiary of APSEZL. The Company provides hospital and related services at Mundra.

xvii) The Dhamra Port Company Limited ("DPCL"), has become wholly owned subsidiary of the Company and is operating bulk cargo port infrastructure facilities at Dhamra in the state of Odisha.

xviii) Shanti Sagar International Dredging Private Limited ("SSIDPL") was incorporated on May 05, 2015 as a 100% subsidiary of APSEZL. The Company is providing dredging services.

xix) The Adani Harbour Services Private Limited ("TAHSPL") has become a wholly owned subsidiary of APSEZL. Previously, the company was known as TM Harbour Services Private Limited. The principal activity of TAHSPL is to own and operate harbour tugs, barges, other port crafts, ocean towage and offshore support vessels and to provide marine services like pilotage, laying and maintenance of buoys including SBMs, mooring of vessels at berth and mid-stream.

xx) Adani Vizhinjam Port Private Limited ("AVPPL"), a 100% subsidiary of APSEZL, is developing container terminal port and other related infrastructure at Vizhinjam.

xxi) Adani Kattupalli Port Private Limited ("AKPPL"), a 100% subsidiary of APSEZL is engaged in the business of Container Freight Station at Kattupaili Port, Tamil Nadu.

xxii) Adani Petroleum Terminal Private Limited ("APTPL") was incorporated as wholly owned subsidiary of APSEZL on April 26, 2016. On December 29, 2018, APTPL has ceased to be a subsidiary of the Company. With effect from March 16, 2019, the same has become wholly owned subsidiary of Adani Logistics Limited (Subsidiary of APSEZL).

xxiii) Adani Dhamra LPG Terminal Private Limited ("ADLTPL") was a step down subsidiary of APSEZL till December 28, 2018.

xxiv) Mundra LPG Terminal Private Limited ("MLTPL") was a step down subsidiary of APSEZL till December 28, 2018.

xxv) Dhamra LNG Terminal Private Limited ("DLTPL"),a 100% subsidiary of Adani Petroleum Terminal Private Limited has ceased to be step down subsidiary of the Company on December 29, 2018. With effect from March 16, 2019, the same has become step down subsidiary of Adani Logistics Limited because APTPL has become subsidiary of ALL.

xxvi) Dholera Infrastructure Private Limited ("DIPL"), an entity in which APSEZL holds 49% of equity, was incorporated with the main object of developing, maintaining and operating infrastructure facilities on November 22, 2006 under the Companies Act, 1956. The company through its subsidiary is in the process of developing port and infrastructure facilities. Under Ind AS 110 , it has been evaluated that APSEZL has defacto control over DIPL and accordingly is considered as subsidiary for consolidation purpose. (refer note 2.4)

xxvii) Dholera Port And Special Economic Zone Limited ("DPSEZL"), a 100% subsidiary of Dholera Infrastructure Private Limited was incorporated on August 31, 1998 under the provisions of Companies Act, 1956. The Company was in the process of developing a port at Dholera.

xxviii) Abbot Point Operations Pty Limited ("APO") is a 100% subsidiary of the Company and engaged in the business of Port Operations.

xxix) Abbot Point Bulkcoal Pty Limited ("APB") has become a wholly owned subsidiary of Abbot Point Operations Pty Limited and step down subsidiary of APSEZL.

xxx) Mundra International Gateway Terminal Private Limited ("MIGTPL") has been incorporated as wholly owned subsidiary of the Company on May 17, 2017.

xxxi) Adani International Terminals Pte Limited ("AITPL") has been incorporated as wholly owned subsidiary of the Company on June 30, 2017.

xxxii) Blue Star Realtors Private Limited has become wholly owned subsidiary of Adani Logistics Limited (the subsidiary company of APSEZL) w.e.f. April 26, 2018.

xxxiii) Adani Bhavanapadu Port Private Limited ("ABPPL") has been incorporated as wholly owned subsidiary of the Company on May 21, 2018.

xxxiv) Marine Infrastructure Developer Private Limited has become subsidiary of APSEZL w.e.f. June 28, 2018 with 97% equity stake and is engaged in the business of Port Operations at Kattupali Port.

xxxv) Adani Mundra Port Holding Pte. Limited ("AMPHPL") has been incorporated as wholly owned subsidiary of the Company on October 30, 2018.

xxxvi) Adani Mundra Port Pte. Limited ("AMPPL") has been incorporated as wholly owned subsidiary of Adani Mundra Port Holding Pte. Limited (a subsidiary company of APSEZL) on January 03, 2019.

xxxvii) Adani Abbot Port Pte. Limited ("AAPPL") has been incorporated as wholly owned subsidiary of Adani Mundra Port Holding Pte. Limited (a subsidiary company of APSEZL) on January 03, 2019.

xxxviii) Adani Yangon International Terminal Company Limited ("AYITCL") has been incorporated as wholly owned subsidiary of Adani International Terminals Pte Limited (a subsidiary company) on February 22, 2019.

xxxix) Adani Agri Logistics Limited, Adani Agri Logistics (Dahod) Limited, Adani Agri Logistics (Samastipur) Limited and Adani Agri Logistics (Darbhanga) Limited have become wholly owned subsidiaries of Adani Logistics Limited (the subsidiary company of APSEZL) w.e.f. March 29, 2019 and is engaged in the business of Logistics Operations.
Pursuant to the acquisition of 100 % equity stake of Adani Agri Logistics Limited ("AALL"), subsidiary companies of AALL have became step down subsidiary companies of Adani Logistics Limited (the subsidiary company of APSEZL).

xl) Dermot Infracon Private Limited has become wholly owned subsidiary of Adani Logistics Limited (the subsidiary company of APSEZL) w.e.f. March 25, 2019.

2 Basis of preparation

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

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy as mentioned in note 2.3 (x) hitherto in use.

The consolidated financial statements have been prepared on a historical basis, except for the following assets and liabilities which have been measured at fair value or revalued amount :-
- Derivative financial instruments
- Defined Benefit Plans - Plan Assets measured at fair value and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

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

2.2 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company, its joint venture entities and its subsidiaries as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:-
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:
(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a) Investment in associates and joint venture entities

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but do not control or joint control over those policies.

A joint venture entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture entities are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture entities is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture entities. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture entities, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture entities are eliminated to the extent of the interest in the joint venture entities.

If an entity's share of losses of a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture entities is shown on the face of the consolidated statement of profit and loss.

The financial statements of the joint venture entities are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture entities. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture entities are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture entities and its carrying value, and then recognises the loss as 'Share of profit of a joint venture entities' in the statement of profit and loss.
Upon loss of significant influence over associate entity/ joint control over the joint venture entities, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associates entity / joint venture entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

b) Current versus non-current classification

The Group 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 realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized 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 Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) Foreign currency transactions :

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. However, for practical reasons, the Group entities use an average rate if the average approximates the actual rate at the date of transaction. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

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

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

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

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

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

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

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

d) Fair value measurement

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group 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 Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value and for non recurring fair value measurement, such as an assets under the scheme of business undertaking.

External valuers are involved for valuation of significant assets such as business undertaking for transfer under the scheme and unquoted financial assets and financial liabilities. Involvement of external valuers is decided upon annually by the Management and in specific cases after discussion with and approval by the respective company's Audit Committee. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
-Disclosures for valuation methods, significant estimates and assumptions (refer note 2.4 and 33.2)
-Quantitative disclosures of fair value measurement hierarchy (refer note 33.2)
-Investment in unquoted equity shares (refer note 4)
-Financial instruments (including those carried at amortised cost) (refer note 33.1)

e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

Port operation and logistics services

Revenue from port operation services including cargo handling, storage, rail infrastructure, other ancillary port services and logistics services are recognized in the accounting period in which the services are rendered on proportionate completion method basis based on services completed till reporting date. Revenue is recognized based on the actual service provided to the end of reporting period as a proportion of total services to be provided.

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

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

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

Income towards infrastructure premium is recognized as revenue in the year in which the Company provides access to its common infrastructure.

Income from long term leases

As a part of its business activity, the Company leases/ sub-leases land on long term basis to its customers. Leases are classified as finance lease whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease. In some cases, the Company enters into cancellable lease / sub-lease transaction agreement, while in other cases, it enters into non-cancellable lease / sub-lease agreement. The Company recognizes the income based on the principles of leases as set out in Ind AS 17 "Leases" and accordingly in cases where the land lease / sub-lease agreement are cancellable in nature, the income in the nature of upfront premium received / receivable is recognized on operating lease basis i.e. on a straight line basis over the period of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period and annual lease rentals are recognized on an accrual basis.

In cases where long term land lease / sub-lease transaction agreement are non-cancellable in nature, the income is recognized on finance lease basis i.e. at the inception of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period, the income recognized is equal to the present value of the minimum lease payment over the lease period (including non-refundable upfront premium) which is substantially equal to the fair value of land leased / sub-leased. In respect of land given on finance lease basis, the corresponding cost of the land and development costs incurred are expensed off in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Development of Infrastructure Assets

The Company 's business operations includes construction and development of infrastructure assets. where the outcome of the project cannot be estimated reasonably, Revenue from contracts for such construction and development activities is recognized on completion of relevant activities under the contract and the transfer of control of the infrastructure when all significant risks and rewards of ownership in the infrastructure assets are transferred to the customer.

Non scheduled aircraft services

Revenue from chartered services is recognized when the service is performed under contractual obligations.

Utilities Services

Revenue is recognized as and when the service performed under contractual obligations and the right to receive such income is established. Delayed payment charges are accounted as and when received.

Income from SEIS/SFIS

Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 and Served from India Scheme ('SFIS') under Government's Foreign Trade Policy 2009-14 on the port services income is recognised based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licenses are classified as "Other Non Financial Assets".

Revenue recognition from service concession arrangements in Agri Logistics Business

Once the infrastructure is in operation, the treatment of income is as follows:

Finance income over financial asset after consideration of fixed storage charges is recognized using effective interest rate method. Variable storage charges revenue is recognized in the period of storage of food grains. Revenues from other variable charges such as loading and unloading charges, bagging charges, stacking charges, etc. as per the rates mentioned in SCA are recognized in each period as and when services are rendered in accordance with 'Ind AS 115 - Revenue from Contracts with Customers

Interest income

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

Dividends

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

f) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

Royalty on Cargo

Waterfront royalty cargo under the various concession/sub concession agreement is paid at concessional rate in terms of rate prescribed by respective states Maritime Board (MB) and notified in official gazette of various state Government authorities, wherever applicable.

g) 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 or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint venture entities, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The Company is eligible and claiming tax deductions available under section 80IAB of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2007-08. Some of the subsidiaries and joint venture entities are also eligible for tax deductions available under section 80IA of the Income Tax Act, 1961 for a period of 10 years out of eligible period of 15 years. In view of the Company and some of the subsidiaries and joint venture entities availing tax deduction under Section 80IA/80IAB of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

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

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

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

The Group recognizes tax credits in the nature of Minimum Alternative Tax ("MAT") credit as an asset only to the extent that there is sufficient taxable temporary difference/convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the consolidated statement of profit and loss. The Group reviews the such tax credit asset at each reporting date and writes down the asset to the extent the Group does not have sufficient taxable temporary difference/convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

h) Property, plant and equipment (PPE)

Under the previous GAAP (Indian GAAP), Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs (if capitalization criteria are met) and other cost directly attributable to bringing the asset to its working condition for the intended use. The Group has elected to regard previous GAAP carrying values of property, plat and equipment as deemed cost at the date of transition to Ind AS.

Property, plant and equipment and Capital work in progress are stated at cost. Such cost includes the cost of replacing parts 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 Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of respective asset if recognition criteria for the provision are met.

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

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

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

The Group has estimated the following useful life to provide depreciation on its certain Property, Plant and Equipment based on assessment made by expert and management estimate.

Assets	**Estimated Useful life**
Leasehold Land	Right to Use over the balance period of Concession Agreement and approved Supplementary Concession Agreement (as mentioned in note 1) / over the period of agreement of 20 years
Leasehold Land Development	Over the balance period of Concession Agreement and approved Supplementary Concession Agreement by Gujarat Maritime board, other major port trust authorities, State Government authorities etc. as applicable
Marine Structure, Dredged Channel, Building RCC Frame Structure	50 Years as per concession agreement/over the balance period of concession agreement as applicable
Dredging Pipes - Plant and Equipment	1.5 Years
Nylon and Steel coated belt on Conveyor - Plant and Equipment	4 Years and 10 Years respectively
Inner Floating and outer floating hose, String of Single Point Mooring - Plant and Machinery	6 Years
Fender, Buoy installed at Jetty - Marine Structures	5 - 10 Years
Bridges, Drains & Culverts	25 Years as per concession agreement
Carpeted Roads – Other than RCC	10 Years
Non Carpeted Roads – Other than RCC	3 Years
Tugs	20 Years

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

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

i) Intangible assets

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

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

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 consolidated statement of profit and loss when the asset is derecognised.

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

Intangible Assets	**Method of Amortisation**	**Estimated Useful life**
Software applications	on straight line basis	5 Years based on management estimate
License Fees paid to Ministry of Railway (MOR) for approval for movement of Container Trains	on straight line basis	Over the license period of 20 years
Right to Use of Land	on straight line basis	Over the period of agreement between 10-20 years
Right of use to develop and operate the port Facilities	on straight line basis	Over the balance period of Sub-Concession Agreement
License	on straight line basis	35 Years based on validity of license

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

The Group recognises port concession rights as "Port Infrastructure Rights" under "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 Group as part of the service concession arrangement. Such an intangible asset is recognised by the Group 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 Group 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 A of Ind AS 11 '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 consolidated statement of profit or loss when the asset is de-recognised.

The estimated period of port concession arrangements are of 30 years.

Service Concession Arrangements in respect of Agri Logistics Business

The subsidiaries companies have entered into service concession agreement with Food Corporation Of India (FCI) which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise.

With respect to SCA, revenue and costs are allocated between those relating to construction services and those relating to operation and maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the SCA.

When the amount of consideration under the arrangement for the provision of public services is substantially fixed by a contract, the company recognizes the consideration for construction services at its fair value as a financial asset and is classified as "financial asset under service concession arrangements".

When the amount of consideration under the arrangement comprises -
- fixed charges based on Annual Guaranteed Tonnage and
- variable charges based on Actual Utilization Tonnage

then, the company recognizes the consideration for construction services at its fair value, as the "financial asset under service concession arrangement" to the extent present value of fixed payment to be received discounted at incremental borrowing rate and the residual portion is recognized as an intangible asset.

j) 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.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs . Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group 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 Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group'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.

l) Inventories

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

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

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

Costs incurred that relate to future contract activities are recognised as "Project Work-in-Progress".

Project work-in-progress comprise specific contract costs and other directly attributable overheads including borrowing costs which can be allocated on specific contract cost is, valued at lower of cost and net realisable value.

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

m) Impairment of non-financial assets

The Group 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 Group 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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group'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 impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, 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 Group 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 and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at every year end and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

n) Provisions, Contingent Liabilities and Contingent Assets

General

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

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

Operational Claim provisions

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

o) Retirement and other employee benefits

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

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

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

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and

- Net interest expense or income

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

p) Financial instruments

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

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 with that are attributable to the acquisition of the financial assets.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments and derivative instruments and equity instruments at fair value through Profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

(ii) 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 Group. 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 and loss . The losses arising from impairment are recognised in the statement of profit and loss except where the Company has given temporary waiver of interest not exceeding 12 months period. This category generally applies to trade/loans and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL.

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Perpetual debt

The Company invests in a subordinated perpetual debt, redeemable at the issuer's option, with a fixed coupon that can be deferred indefinitely if the issuer does not pay a dividend on its equity shares. The Company classifies these instruments as equity under Ind AS 32.

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 Group's consolidated balance sheet) when:

-The rights to receive cash flows from the asset have expired, or

- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment of financial assets

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

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

b) Financial assets. that are debt instruments, are measured at fair value through other comprehensive income (FVTOCI)

c) Lease receivables under Ind AS 17

d) 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 Group follows 'simplified approach' for recognition of impairment loss allowance on:

> Trade receivables or contract revenue receivables; and

> All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach the Group 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 group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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

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

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

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

Subsequent measurement

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

Financial liabilities at fair value through profit 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 Group 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 consolidated statement of profit and loss.

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

Loans and borrowings

This is the category most relevant to the Group. 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 consolidated profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through profit or loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group 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.

q) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through profit 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 classified in the statement of profit and loss and reported with foreign exchange gains/(losses) 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 cost.

r) Redeemable preference shares

Redeemable preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

Transaction costs are apportioned between the liability and equity components of the redeemable preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

s) 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 consolidated 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 Group's cash management.

t) Cash dividend to equity holders of the parent

The Company recognises a liability to make cash to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Goodwill on consolidation

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

Goodwill on consolidation arising on acquisitions on or after the date of transition represents the excess of the cost of acquisition at each point of time of making the investment in the subsidiary, over the Group's share in the fair value of the net assets of a subsidiary.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

v) Business Combination

Business Combination have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes fair value of any contingent considerations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at the fair value on the date of acquisition.

Business Combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as legal fees, due diligence fees and other professional consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

w) Earnings per Share

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

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

x) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for annual reporting period commencing from April 01, 2018:-

Ind AS 115 - Revenue from Contracts with Customers

The core principle of the standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The Group adopted Ind AS 115 using the modified retrospective method of adoption. The adoption of the standard did not have any material impact on the consolidated financial statement of the Group.

Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance

The amendment clarifies that where the government grant related to assets, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by grant in arriving at the carrying amount of the asset. Prior to the amendment, IND AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the assets. These amendments do not have any impact on the consolidated financial statements.

Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

The Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The interpretation does not have any impact on the Group's consolidated financial statements.

Amendment to Ind AS 12, Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the consolidated financial statement of Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Amendment to Ind AS 40, Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. These amendments do not have any impact on the Group's consolidated financial statements.

Amendment to Ind AS 28, Investment in Associates and Joint Ventures

The amendments clarify that a venture capital organisation or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. Further, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method. Therefore, this choice is available, at initial recognition, for each investment entity associate or joint venture.

Ind AS 112, Disclosure of Interest in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

2.4 Significant accounting judgments, estimates and assumptions

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

(A) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which has the most significant effect on the consolidated financial statements:

(i) Consolidation of entities in which the Group holds less than a majority of voting rights (de facto control):-

Group owns 49% ownership interest in Dholera Infrastructure Private Limited ("DIPL"), Group has entered into an agreement with the other shareholders of the DIPL basis which the directors of the Company has assessed that it has the practical ability to direct the relevant activities of DIPL unilaterally and therefore APSEZ has control over DIPL.

(ii) Investment in entities which are not considered for consolidation

The Group has investment of ₹ 400.0 Million in Kutch Railway Company Limited ("KRCL"), the investee, to the tune of the 20% of the paid up capital of the said company. However, the considering that majority of the remaining shares are held by government companies / government authorities / government agencies, and the day-to day-operations being managed by government officials, the Group does not consider that it has significant influence over KRCL. Accordingly, the investment in the said entity has not been accounted under Ind AS 28.

Further, the group has investment of ₹ 52.1 Million in Ambily Technologies Private Limited ("ATPL"), the investee, to the tune of 20% of the paid up capital of the said company. However, the Group is currently not involved in the operational and financial matters of the company and accordingly, the Group does not consider that it has significant influence over ATPL. Accordingly, the investment in ATPL has not been accounted under Ind AS 28.

(iii) Common control transaction under Ind AS 103

The Group has made acquisition of Adani Agri Logistics Limited , Adani Agri Logistics (Dahod) Limited, Adani Agri Logistics (Samastipur) Limited and Adani Agri Logistics (Darbhanga) Limited from Adani Enterprises Limited which has been described in Note 37. The Management of the Company assessed whether or not these acquisitions are "Common Control Business Combinations" (as defined in Appendix C of Ind-AS 103). In making their judgement, the Management considered the absolute size of holding of S.B. Adani Family Trust ("SBAFT") in both the companies, the relative size of and dispersion of the shareholding owned by other shareholders, availability of information relating to contractual arrangements between SBAFT and other shareholders through which could give SBAFT sufficient power to make decisions about the relevant activities of the Company. After a careful evaluation of the available information, the Management concluded that the acquisition does not meet the definition of Common Control Business Combinations. Accordingly, the acquisition has been accounted for by applying the "acquisition method" as enunciated in Ind-AS 103.

(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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets (including goodwill)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the CGU, are disclosed and further explained in note 40 and 42.

Impairment of financial assets

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

Taxes

Deferred tax assets (including MAT credits) 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 judgement 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 26.

Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 28.

Fair value measurement

In measuring the fair value of certain assets and liabilities for financial reporting purpose, the Group uses market observable data to the extent available. Where such Level 1 inputs are not available, the Group engages third party qualified valuers to establish appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 33 for further disclosures.

Provision for Decommissioning Liabilities

The management of the Group has estimated that there is no contractual and probable decommissioning liability under the condition / terms of the various concession agreements/sub-concession agreements with various Maritime Boards/Government Port Trust Authorities.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of respective asset if recognition criteria for the provision are met in case of agreement with Food Corporation of India.

Depreciation / amortisation and useful lives of property, plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

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ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

3. Property, Plant and Equipment, Intangible Assets and Goodwill

Note 3(a) Property, Plant and Equipment

₹ in Million

Particulars	Property, Plant and Equipment																Total
	Free Hold Land	Leasehold land	Buildings, Roads and Civil Infrastructur E	Computer Hardware	Land Development cost on Leasehold Land	Office Equipments	Plant & Equipment	Furnitures & Fixture	Vehicles	Dredged Channels	Marine Structures	Railway Tracks	Tugs and Boats	Railway Wagons	Aircraft	Project Assets	
Cost																	
As at April 1, 2017	**6,440.5**	**787.9**	**28,753.1**	**509.7**	**6,840.6**	**793.9**	**52,741.4**	**560.7**	**331.0**	**32,201.0**	**25,512.2**	**8,705.5**	**10,478.5**	**1,165.1**	**2,924.8**	**9,740.0**	**188,485.9**
Additions	153.3	2.2	1,778.1	170.9	1,444.2	105.9	7,953.6	181.0	83.1	3,723.0	3,176.4	107.9	10,235.9	-	-	-	29,115.5
Deductions/Adjustment	(15.3)	-	(4.5)	(6.8)	(78.6)	(6.9)	(366.1)	(6.0)	(56.3)	-	-	-	(75.8)	-	-	(4.1)	(620.4)
Exchange difference	-	-	26.0	(0.6)	0.9	0.1	94.5	1.0	-	5.6	23.1	6.3	(8.6)	(0.1)	5.3	263.5	417.0
As at March 31, 2018	**6,578.5**	**790.1**	**30,552.7**	**673.2**	**8,207.1**	**893.0**	**60,423.4**	**736.7**	**357.8**	**35,929.6**	**28,711.7**	**8,819.7**	**20,630.0**	**1,165.0**	**2,930.1**	**9,999.4**	**217,398.0**
Acquisitions through Business Combination (refer note 37(i))	1,911.9	1,387.5	2,866.5	8.4	-	1.9	3,619.9	9.8	1.5	-	12,201.9	626.2	-	793.3	-	-	23,428.8
Acquisitions (refer note 37(iv))	3,766.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,766.0
Additions	1,338.3	821.6	7,797.6	301.2	375.9	345.9	11,787.1	1,074.0	47.6	3,262.0	5.8	260.1	14.5	135.2	-	25.5	27,592.3
Deductions/Adjustment	-	(65.2)	-	(3.4)	(27.8)	(0.6)	(66.3)	(0.3)	(14.1)	-	(153.3)	-	(51.0)	-	-	(0.2)	(382.2)
Exchange difference	-	-	290.7	-	10.3	1.7	475.2	3.0	-	80.6	440.5	73.4	-	-	84.7	152.1	1,612.2
As at March 31, 2019	**13,594.7**	**2,934.0**	**41,507.5**	**979.4**	**8,565.5**	**1,241.9**	**76,239.3**	**1,823.2**	**392.8**	**39,272.2**	**41,206.6**	**9,779.4**	**20,593.5**	**2,093.5**	**3,014.8**	**10,176.8**	**273,415.1**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at April 1, 2017	**-**	**24.9**	**3,766.2**	**244.6**	**526.8**	**322.9**	**7,905.1**	**83.9**	**111.8**	**1,285.3**	**1,261.2**	**1,700.1**	**1,602.4**	**191.2**	**347.0**	**2,484.3**	**21,857.7**
Depreciation for the year	-	34.6	1,576.6	131.4	318.6	129.4	4,326.6	42.7	55.7	855.8	674.8	812.8	914.8	102.1	171.7	1,180.3	11,327.9
Deductions/(Adjustment)	-	-	(2.1)	(4.2)	-	(3.3)	(159.9)	(2.7)	(29.5)	-	(10.6)	-	(13.8)	-	-	(2.1)	(228.2)
As at March 31, 2018	**-**	**59.5**	**5,340.7**	**371.8**	**845.4**	**449.0**	**12,071.8**	**123.9**	**138.0**	**2,141.1**	**1,925.4**	**2,512.9**	**2,503.4**	**293.3**	**518.7**	**3,662.5**	**32,957.4**
Depreciation for the year	-	51.8	1,607.4	142.4	379.8	138.4	4,940.1	77.5	53.0	937.2	1,026.4	753.3	1,390.4	107.9	177.7	894.3	12,677.6
Deductions/(Adjustment)	-	61.4	-	(3.4)	-	(0.4)	(20.5)	(0.2)	(4.6)	-	(46.5)	-	(14.9)	-	-	(0.1)	(29.2)
As at March 31, 2019	**-**	**172.7**	**6,948.1**	**510.8**	**1,225.2**	**587.0**	**16,991.4**	**201.2**	**186.4**	**3,078.3**	**2,905.3**	**3,266.2**	**3,878.9**	**401.2**	**696.4**	**4,556.7**	**45,605.8**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Block	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	6,578.5	730.6	25,212.0	301.4	7,361.7	444.0	48,351.6	612.8	219.8	33,788.5	26,786.3	6,306.8	18,126.6	871.7	2,411.4	6,336.9	184,440.6
As at March 31, 2019	**13,594.7**	**2,761.3**	**34,559.4**	**468.6**	**7,340.3**	**654.9**	**59,247.9**	**1,622.0**	**206.4**	**36,193.9**	**38,301.3**	**6,513.2**	**16,714.6**	**1,692.3**	**2,318.4**	**5,620.1**	**227,809.3**

Notes :-

a) Depreciation of ₹ 325.3 Million (previous year ₹ 682.1 Million) relating to the project assets and pre-fabricated residential structure (temporary structure) has been allocated to Capitalisation / Capital Work-in-progress for expansion of project works.

b) Freehold Land includes land development cost of ₹ 125.6 Million (previous year ₹ 125.6 Million).

c) Plant and Equipment includes cost of Water Pipeline amounting to ₹ 33.7 Million (Gross) (previous year ₹ 33.7 Million), accumulated depreciation ₹ 15.9 Million (previous year ₹ 11.9 Million) which is constructed on land not owned by the Company.

d) Buildings includes 612 residential flats (previous year 612 flats) and a hostel building valuing ₹ 1,307.5 Million (Gross) (previous year ₹ 1,307.5 Million), accumulated depreciation ₹ 104.9 Million (previous year ₹ 78.1 Million) at Samudra Township, Mundra, which are pending to be registered in Company's name.

e) As a part of concession agreement for development of port and related infrastructure at Mundra, the Company has been allotted land on lease basis by Gujarat Maritime Board (GMB). The Company has recorded rights in the GMB Land at present value of future annual lease payments in the books and classified the same as lease hold land.

f) Land development cost on leasehold land includes costs incurred towards reclaimed land of ₹ 6,911.8 Million (previous year ₹ 6,636.1 Million), accumulated depreciation ₹ 963.8 Million (previous year ₹ 680.1 Million). The cost has been estimated by the management, being cost allocated out of the dredging activities approximate the actual cost.

g) Reclaimed land measuring 1,093.53 hectare are pending to be registered in the name of the Company.

h) Project Assets includes dredgers and earth moving equipments.

i) Free hold Land includes Land given on Operating Lease Basis:
   Gross Block as at March 31, 2019 : ₹ 67.1 Million (previous year ₹ 67.1 Million)
   Accumulated Depreciation as at March 31, 2019 : ₹ 2.4 Million (previous year ₹ 1.8 Million)
   Net Block as at March 31, 2019 : ₹ 64.7 Million (previous year ₹ 65.3 Million)

j) Leasehold land includes 38 hectare of forest land amounting to ₹ 35.9 Million allotted to one of the subsidiary company by Ministry of Environment and Forests.

k) GIDC has allotted 11.70 hectare of land on right to use basis for the period of 10 years for developing facilities for the project having gross value of ₹ 5.8 Million (previous year ₹ 5.8 Million) to one of the subsidiary company.

l) Plant and Equipment includes electrical installation of ₹ 130.4 Million and accumulated depreciation of ₹ 46.1 Million (previous year ₹ 130.4 Million and accumulated depreciation of ₹ 34.6 Million) for setting up of 66 kVA infrastructure facilities for providing power connection to the port facilities of subsidiary companies.

m) The amount of borrowing costs capitalised during the year ended March 31, 2019 was ₹ 361.2 Million (previous year ₹ 595.8 Million). The rate used to determine the amount of borrowing costs eligible for capitalisation was ranging from 2.85% to 11%, which is the effective interest rate of the specific borrowing.

n) The Company had reclaimed total 230 hectares of land for its port activities. The Company had developed these land area through dredging activities and an amount of ₹ 176.8 Million (previous year ₹ 176.8 Million) is capitalized as leasehold land development.

o) Refer footnote to note 14 and 17 for security / charges created on property, plant and equipment.

Note 3(b) Intangible Assets

₹ in Million

Particulars	Software	Railway License Fee	Service Concession Assets	Right to operate port	Right to use of land	Total
Cost						
As at April 1, 2017	**517.8**	**312.5**	**18,395.8**	**-**	**215.6**	**19,441.7**
Additions	254.6	-	**927.8**	**-**	-	1,182.4
Deductions/Adjustment	-	-	**(64.5)**	**-**	-	(64.5)
Exchange difference	0.2	-	**56.5**	**-**	-	56.7
As at March 31, 2018	**772.6**	**312.5**	**19,315.6**	**-**	**215.6**	**20,616.3**
Acquisitions through Business Combination (refer note 37(i))	4.6	-	**4,475.2**	**1,238.0**	**-**	5,717.8
Additions	420.7	50.0	**26.1**	**-**	-	496.8
Deductions/Adjustment	-	-	**(404.9)**	**-**	-	(404.9)
Exchange difference	2.5	-	**-**	**-**	-	2.5
As at March 31, 2019	**1,200.4**	**362.5**	**23,412.0**	**1,238.0**	**215.6**	**26,428.5**
	-	-			-	-
Accumulated Amortisation						
& Impairment	-	-			-	-
As at April 1, 2017	**156.0**	**50.0**	2,009.8		**23.0**	**2,238.8**
Amortisation for the year	111.0	25.0	1,100.9	-	1.0	1,237.9
Impairment (refer note 40 (a))	-	-	1,551.8	-	-	1,551.8
Deductions/Adjustment	-	-	(0.4)	-	-	(0.4)
As at March 31, 2018	**267.0**	**75.0**	4,662.1	-	**24.0**	**5,028.1**
Amortisation for the year	199.3	25.3	1,111.4	45.5	1.0	1,382.5
Impairment (refer note 40 (a))	-	-	(529.5)	-	-	(529.5)
Deductions/Adjustment	-	-	(178.2)	-	-	(178.2)
As at March 31, 2019	**466.3**	**100.3**	5,065.8	45.5	**25.0**	**5,702.9**
Net Block	-	-	**-**	**-**	-	-
As at March 31, 2018	505.6	237.5	**14,635.5**	**-**	191.6	15,588.2
As at March 31, 2019	**734.1**	**262.2**	**18,346.2**	**1,192.5**	**190.6**	**20,725.6**

Note 3(c) Goodwill

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Carrying value at the beginning of the year	**26,671.3**	26,703.9
Add/(Less):- Amount recognised through acquisitions and business combinations.	**6,008.0**	(32.6)
Carrying value at the end of the year (refer note 42)	**32,679.3**	26,671.3

4 Non-Current Investments

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Unquoted		
In Equity Shares of Company (Investment at fair value through OCI) (refer note (c) below)		
5,00,00,000 (previous year 5,00,00,000) fully paid Equity Shares of ₹ 10 each of Kutch Railway Company Limited	**2,350.0**	2,100.0
1,73,30,000 (previous year - 1,73,30,000) fully paid Equity Shares of ₹ 10 each of Bharuch Dahej Railway Company Limited	**242.4**	259.9
5,50,000 (previous year 5,50,000) fully paid Equity Shares of ₹ 10 each of Mundra Solar Technopark Private Limited	**9.4**	9.4
1,000 (previous year 1,000) fully paid Equity Shares of AUD 1 each of Mundra Port Pty Limited (refer note b)	-*	-*
14,001 (previous year 14,001) fully paid Equity Shares of ₹ 10 each of Ambily Technologies Private Limited	**52.1**	52.1
50,000 (previous year Nil) fully paid Equity Share of ₹ 10 each of Mundra LPG Terminal Private Limited (refer note (d) below)	**0.5**	-
50,000 (previous year Nil) fully paid Equity Share of ₹ 10 each of Adani Dhamra LPG Terminal Private Limited (refer note (d) below)	**0.5**	-
	-	-
FVTOCI Investment	**2,654.9**	2,421.4
Investment in Debenture (Valued at amortised cost)	**-**	-
Nil (previous year 3,170) 7.7% Non-Convertible Redeemable Debenture of ₹ 10,00,000 each of J M Financial Products Limited	**-**	3,170.0
	-	-
In Government Securities (valued at amortised cost)		-
National Savings Certificates (Lodged with Government Department) & others	-*	-*
Investments	**2,654.9**	5,591.4
In equity shares of Joint Ventures (valued at cost)	**-**	-
32,22,31,817 (previous year 32,22,31,817) fully paid Equity Shares of ₹ 10 each of Adani International Container Terminal Private Limited (refer note 36 (b))	**-**	-
5,93,78,278 (previous year 5,93,78,278) fully paid Equity Shares of ₹ 10 each of Adani CMA Mundra Terminal Private Limited (refer note 36 (b))	**-**	-
30,60,000 (previous year Nil) fully paid Equity Shares of ₹ 10 each of Adani NYK Auto Logistics Solutions Private Limited (refer note 36 (b))	**30.0**	-
Investments accounted using Equity Method	**30.0**	
	2,684.9	5,591.4

-* Figures being nullified on conversion to ₹ in Million.

Notes:

a) Aggregate amount of unquoted investments as at March 31, 2019 ₹ 2,684.9 Million (previous year ₹ 5,591.4 Million).

b) 1,000 fully paid equity shares (previous year - 1,000) of Mundra Port Pty Limited. (Refer note 35(u)) has been pledged with banks against borrowings by the respective entity.

c) Reconciliation of Fair value measurement of the investment in unquoted equity shares

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Opening Balance	**2,421.4**	2,251.9
Add : Investment made during the year	**1.0**	52.1
Fair value gain recognised in Other comprehensive income	**232.5**	117.4
Closing Balance	**2,654.9**	2,421.4

d) During the year, pursuant to issuance of new equity shares by Adani Dhamra LPG Terminal Private Limited ("ADLTPL") and Mundra LPG Terminal Private Limited ("MLTPL") to Adani Trading Services LLP on a private placement basis on December 29, 2018, these companies (ADLTPL, MLTPL) have ceased to be subsidiaries of the Company. With regards to loss of control of the subsidiary subsequently, the investment has since been classified as Fair Value through OCI.

5 Trade Receivables

(unsecured, unless otherwise stated)

	Non-current portion		Current portion	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Trade Receivables				
Considered good (refer note 31)	**-**	21.4	**28,382.4**	43,343.4
Less : Allowances for expected credit loss	**-**	-	**(485.8)**	(244.3)
	-	**21.4**	**27,896.6**	43,099.1
Other Trade Receivables	**-**	21.4	**24,319.1**	35,379.1
Customers' Bill Discounted (refer note (c) below)	**-**	-	**3,577.5**	7,720.0
Total Trade Receivables	**-**	21.4	**27,896.6**	**43,099.1**

Notes:

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

b) Generally, as per credit terms trade receivable are collectable within 30-180 days although the Group provide extended credit period with interest between 8% to 15% considering business and commercial arrangements with the customers including with the related parties. Receivable of ₹ 4.3 Million (previous year ₹ 25.4 Million) are contractually collectable on deferred basis.

c) The Carrying amounts of the trade receivables include receivables amounting to ₹ 3,577.5 Million (previous year ₹ 7,720.0 Million) which are subject to a bills discounting arrangement. Under this arrangement, the Group has transferred the relevant receivables to the bank / financial institution in exchange of cash and is prevented from selling or pledging the receivables. The Cost of bill discounting is to the customer's account as per the arrangement. However, the Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the bills discounting arrangement is presented as unsecured borrowing in note 17.

d) Trade receivable includes regular receivables arising from services provided to power companies which are passing through a difficult external environment causing certain delays in payment.
The Group has reviewed these receivables and considering the improving market conditions in the power sector, expects that the power companies will improve their operating effectiveness and recover past dues from Discoms and thereby the Group believes that the amount is good and recoverable.

6 Loans

(Unsecured unless otherwise stated)

	Non-current portion		Current portion	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Loans to Joint Venture Entities				
- Considered Good	**12,195.4**	11,930.6	**2,695.0**	203.1
Loans to Related Parties	**-**	-	**-**	-
- Considered Good	**-**	-	**32.5**	-
Loans to others (refer note below)	**-**	-	**-**	-
- Considered Good	**-**	28.0	**12,748.6**	14,845.8
	-	-	**-**	-
	12,195.4	11,958.6	**15,476.1**	15,048.9

Note :

Loan to others includes inter-corporate deposits aggregating ₹ 10,921.0 Million (previous year ₹ 11,054.0 Million) (Including renewals on due dates) to third parties. These deposits are given at prevailing market interest rates. The inter-corporate deposits have been approved by the Finance committee of the Board of Directors and subsequently noted by the Board of Directors of the company.
The Group has received undertaking from one of the promoter owned entity to unconditionally honour the dues from these parties along with interest in case these are not paid by the parties.

7 Other Financial Assets

	Non-current portion		Current portion	
	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million	**March 31, 2019 ₹ In Million**	March 31, 2018 ₹ In Million
Security deposits (refer note 34(i))				
- Considered good	**27,637.0**	4,883.5	**1,211.8**	2,924.6
- Considered doubtful	**-**	-	**72.7**	72.7
	27,637.0	4,883.5	**1,284.5**	2,997.3
Allowances for doubtful deposit	**-**	-	**(72.7)**	(72.7)
	27,637.0	4,883.5	**1,211.8**	2,924.6
	-	-	**-**	-
Loans and Advances to Employees	**17.7**	22.0	**31.5**	28.7
Land Lease Receivable (refer note 20 (c))	**14,055.0**	9,238.1	**530.7**	46.4
Bank Deposit with original maturity of more than twelve months and margin money deposits (refer note 11)	**99.3**	405.1	**-**	-
Interest Accrued	**258.4**	-	**12,097.0**	6,943.0
Non Trade Receivable	**-**	-	**5,747.3**	1,070.8
Asset under Service Concession	**1,080.6**	-	**202.2**	-
Receivables against sale of investment (refer note 35(u))	**-**	-	**841.7**	859.3
Derivative Instruments / Forward Contracts Receivable	**-**	-	**725.7**	619.1
Advances for land consideration	**319.3**	359.6	**40.3**	15.2
Financial Guarantee received	**-**	-	**-**	43.7
Insurance Claim Receivables	**-**	-	**84.0**	5.0
Gratuity Assets (refer note 28)	**-**	-	**19.8**	27.7
	43,467.3	14,908.3	**21,532.0**	12,583.5

8 Other Assets

	Non-current portion		Current portion	
	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million	**March 31, 2019 ₹ In Million**	March 31, 2018 ₹ In Million
Capital advances (refer note (a) & (b) below)				
- Secured, considered good	**343.5**	0.4	**-**	-
- Unsecured, considered good	**11,628.9**	7,923.7	**-**	1,112.9
- Unsecured, doubtful	**105.9**	105.9	**-**	-
	12,078.3	8,030.0	**-**	1,112.9
Less: Allowances for doubtful advances	**(105.9)**	(105.9)	**-**	-
	11,972.4	7,924.1	**-**	1,112.9
	-	-	**-**	-
Balance with Government Authorities	**3,433.6**	2,449.0	**1,717.5**	1,443.6
Prepaid Expenses	**1,559.1**	894.2	**456.2**	345.5
Accrued revenue (refer note 39)	**-**	-	**634.6**	2,023.0
Contract Assets (refer note (c) below)	**-**	-	**794.0**	609.7
Advances recoverable other than in cash	**-**	-	**-**	-
To others	**0.6**	1.2	**684.6**	830.3
To related party	**2,371.0**	-	**1,278.7**	3,346.7
Export benefits and Other receivables	**2,582.2**	-	**2,963.2**	4,099.6
Taxes recoverable (net) (refer note 26)	**2,363.9**	1,873.9	**-**	-
	24,282.8	13,142.4	**8,528.8**	13,811.3

Notes:

a) Capital advance includes ₹ 1,987.2 Million (previous year ₹ 1,114.0 Million) paid to various parties and government authorities towards purchase of land.

b) The Group has received bank guarantees of ₹ 343.5 Million (previous year ₹ 0.4 Million) against capital advances.

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

9 Inventories (At lower of cost and Net realisable value)

	Non-current portion		Current portion	
	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million	**March 31, 2019 ₹ In Million**	March 31, 2018 ₹ In Million
Stores and Spares, Fuel and Lubricants	-	-	**2,437.9**	2,232.2
Project work in progress (refer note 39)	**-**	-	**5,628.9**	2,970.7
	-	-	**8,066.8**	5,202.9

10 Current Investments

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Unquoted mutual funds (valued at fair value through profit and loss)		
Nil (previous year 22,457.17 units) of ₹ 10 each in ICICI Prudential Liquidity - Direct Plan - Growth	**-**	5.8
2,50,000 units (previous year 2,50,000 units) of ₹ 10 each in HDFC Mutual Fund	**2.5**	2.5
49,638 units (previous year Nil) of ₹ 2,929 each in SBI Mutual Fund	**145.4**	-
48,465 units (previous year Nil) of ₹ 2,267 each in IDFC cash fund Mutual Fund	**109.9**	-
4,332.65 Units (Previous Year Nil) of ₹ 300 each in Aditya Birla Sun Life Cash Plus - Direct Plan -	**1.3**	-
20,020.33 Units (Previous Year Nil) of ₹ 300 each in Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	**6.0**	-
	-	-
Investment in Commercial Papers (CP) (Valued at Amortised Cost)	-	-
Commercial Papers of ECAP Equities Limited	**4,323.0**	5,189.5
Investment in Debentures (Valued at Amortised Cost)	-	-
550 (previous year Nil) 9.55 % Non-Convertible Redeemable Debentures of ₹ 10,00,000 each of J M Financial Products Limited	**550.0**	-
	5,138.1	5,197.8
Aggregate carrying value of unquoted Mutual Funds	**265.1**	8.3
Aggregate net assets value of unquoted Mutual Funds	**265.1**	8.3
Aggregate carrying value of unquoted investment in Commercial Papers and Debentures	**4,873.0**	5,189.5

Note:
Investments in commercial papers of ECAP Equities Limited is rated A1+ during current year and previous year.

11 Cash and Bank Balances

	Non-current portion		Current portion	
	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million	**March 31, 2019 ₹ In Million**	March 31, 2018 ₹ In Million
Cash and cash equivalents				
Balance in current accounts	**-**	-	**46,128.9**	5,480.5
Deposits with original maturity of less than three months	**-**	-	**1,850.7**	334.4
Cheques on hand	**-**	-	**-**	2,418.6
Cash on hand	**-**	-	**2.3**	1.3
	-	-	**47,981.9**	8,234.8
Other bank balances	-	-	-	-
Bank Deposits with maturity of more than 12 months	**-**	375.1	**-**	-
In Current Accounts (earmarked for Unpaid Dividend)	**-**	-	**10.8**	8.8
Deposits with original maturity over 3 months but less than 12 months	**-**	-	**10,675.8**	21,172.5
Margin Money Deposits	**99.3**	30.0	**1,004.5**	259.4
	99.3	405.1	**11,691.1**	21,440.7
Amount disclosed under Non- Current Financial Assets (refer note 7)	**(99.3)**	(405.1)	**-**	-
	-	-	**11,691.1**	21,440.7

Note:
Margin Money Deposits aggregating to ₹ 1,103.8 Million (previous year ₹ 289.4 Million) are pledged / lien against bank guarantees, letter of credit and other credit facilities.

12 Equity Share Capital

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Equity share capital		
Authorised share capital		
4,97,50,00,000 (previous year 4,97,50,00,000) Equity Shares of ₹ 2 each	**9,950.0**	9,950.0
	9,950.0	9,950.0
Issued, subscribed and fully paid-up share capital		
2,07,09,51,761 (previous year 2,07,09,51,761) fully paid up Equity Shares of ₹ 2 each	**4,141.9**	4,141.9
	4,141.9	4,141.9

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	March 31, 2019		March 31, 2018	
	No.	₹ In Million	No.	₹ In Million
At the beginning of the year	**2,07,09,51,761**	**4,141.9**	2,07,09,51,761	4,141.9
Add/(Less):- Change during the year	**-**	**-**	-	-
Outstanding at the end of the year	**2,07,09,51,761**	**4,141.9**	2,07,09,51,761	4,141.9

Notes:

Terms/rights attached to equity shares

(i) The Company has only one class of equity share having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

(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.

(b) Equity Component of Non-cumulative Redeemable Preference Shares

Particulars	March 31, 2019		March 31, 2018	
	No.	₹ In Million	No.	₹ In Million
At the beginning of the year	**28,11,037**	**1,658.8**	28,11,037	1,658.8
Change during the year	**-**	**-**	-	-
Outstanding at the end of the year	**28,11,037**	**1,658.8**	28,11,037	1,658.8

Terms of Non-cumulative Redeemable Preference shares:

The Company has outstanding 28,11,037 0.01 % Non-Cumulative Redeemable Preference Shares ('NCRPS') of ₹ 10 each issued at a premium of ₹ 990.00 per share. Each holder of preference shares has a right to vote only on resolutions placed before the Company which directly affects the right attached to preference share holders. These shares are redeemable on March 28, 2024 at an aggregate premium of ₹ 2,782.9 Million (equivalent to ₹ 990.00 per share).

In the event of liquidation of the Company, the holder of NCRPS (before redemption) will have priority over equity shares in the payment of dividend and repayment of capital. The preference shares carry fixed dividend which is non-discretionary.

The Preference Shares issued by the Company are classified as Compound Financial Instrument. These preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised as interest expense using the effective interest method.

The equity component of convertible preference shares includes the securities premium amount received on issue of preference shares and the preference share capital, redemption premium reserve being created in compliance of the Companies Act, 2013.

c) Details of shareholders holding more than 5% shares in the Company

Equity Shares	March 31, 2019		March 31, 2018	
	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 2 each fully paid				
i) Gautambhai Shantilal Adani and Rajeshbhai Shantilal Adani (on behalf of S.B. Adani Family Trust)	**81,27,65,189**	**39.25%**	87,73,17,807	42.36%
ii) Adani Tradeline LLP (Formerly, known as Parsa Kente Rail Infra LLP)	**14,05,12,153**	**6.78%**	14,05,12,153	6.78%
Non-Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up				
Gujarat Ports Infrastructure and Development Co. Limited	**3,09,213**	**11.00%**	3,09,213	11.00%
Priti G. Adani	**5,00,365**	**17.80%**	5,00,365	17.80%
Shilin R. Adani	**5,00,364**	**17.80%**	5,00,364	17.80%
Pushpa V. Adani	**5,00,365**	**17.80%**	5,00,365	17.80%
Ranjan V. Adani	**5,00,455**	**17.80%**	5,00,455	17.80%
Suvarna M. Adani	**5,00,275**	**17.80%**	5,00,275	17.80%
	28,11,037	**100.00%**	28,11,037	100.00%

13 Other Equity

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Equity Component of Non Cumulative Redeemable Preference shares		
Opening Balance	**1,658.8**	1,658.8
Closing Balance	**1,658.8**	1,658.8
Securities Premium		
Opening Balance	**25,517.2**	25,357.0
Share in Securities Premium of Joint Venture	**-**	160.2
Closing Balance	**25,517.2**	25,517.2

Note:- Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The same is available for utilisation in accordance with the provisions of the Companies Act, 2013.

General Reserve		
Opening Balance	**22,608.7**	21,415.5
Add- Transfer from Debenture Redemption Reserve	**3,150.0**	1,193.2
Closing Balance	**25,758.7**	22,608.7

Note:- The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

Debenture Redemption Reserve ("DRR")		
Opening Balance	**6,617.1**	4,762.1
Add: Transferred from Retained Earnings	**1,673.3**	3,048.2
Less: Transferred to General Reserve	**(3,150.0)**	(1,193.2)
Closing Balance	**5,140.4**	6,617.1

Note: The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. The DRR is created over the life of debentures out of retained earnings.

Tonnage Tax Reserve		
Opening Balance	**3,195.0**	33.0
Add: Transferred from Retained Earnings	**2,103.2**	3,162.0
Closing Balance	**5,298.2**	3,195.0

Note:- Subsidiary companies, The Adani Harbour Services Private Limited and Shanti Sagar International Dredging Private Limited have opted for Tonnage Tax Scheme u/s 115V of the Income Tax Act, 1961. Accordingly Section 115 VT of the Income Tax Act, 1961 requires the said companies to create Tonnage Tax Reserve and transfer the amount equivalent to 20% of the book profits of the said companies from retained earnings to Tonnage Tax Reserve and to be utilised only for the purpose as mentioned in the said Act.

Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	**(371.3)**	(745.5)
Add : Foreign exchange (loss)/gain during the year	**(1,534.7)**	(79.2)
Less : Amortised in statement of profit and loss	**1,195.3**	453.4
Closing Balance	**(710.7)**	(371.3)

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

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Retained Earnings		
Opening Balance	**145,820.0**	117,224.2
Add : Impact of Demerger (refer note 41)	**-**	1,239.6
Add : Profit attributable to equity holders of the parent	**39,902.2**	36,736.2
Less : Dividend on shares	**(4,141.9)**	(2,692.2)
Less : Dividend distribution tax paid (DDT)	**(856.4)**	(548.1)
Less : Transfer to Debenture Redemption reserve	**(1,673.3)**	(3,048.2)
Less : Transfer to Tonnage Tax Reserve	**(2,103.2)**	(3,162.0)
Less : Others	**(33.4)**	-
Add: Gain on increase in non controlling interest	**4.1**	-
Add: Impact of Demerger on Non-controlling interest	**-**	64.6
Add / (Less) : Remeasurement (losses) / gains on defined benefit plans (net of tax)	**(22.3)**	5.9
Closing Balance	**176,895.8**	145,820.0

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.

Other Comprehensive Income

Foreign Currency translation reserve		
Opening Balance	**(0.1)**	7.3
Add/(Less):- Change during the year	**(2.0)**	(7.4)
Closing Balance	**(2.1)**	(0.1)

Note:- Exchange differences relating to translation of results and net assets of the group's foreign operations from their functional currencies to the group's presentation currency (i.e rupees) are recognised directly in other comprehensive income and accumulated in foreign currency translation reserve.

Equity instrument through other comprehensive income		
Opening Balance	**1,501.0**	1,405.5
Add : Change in fair value of FVTOCI Equity Investments (net of tax)	**182.8**	95.5
Closing Balance	**1,683.8**	1,501.0

Note:- This reserve represents the cumulative gains and losses arising on the revaluation of equity investments measured at fair value through other comprehensive income.

Total Other Equity	**241,240.1**	**206,546.4**

Dividend Distribution made and proposed	**March 31, 2019 ₹ In Million**	March 31, 2018 ₹ In Million
Cash Dividend on equity share declared and paid		
Final Dividend for the year ended March 31, 2018 (₹ 2.00 per share) and March 31, 2017 (₹ 1.30 per share)	**4,141.9**	2,692.2
Dividend Distribution Tax	**865.7**	548.1
	5,007.6	3,240.3
Proposed Dividend on Equity Shares		
Final Dividend for the year ended March 31, 2019 to be decided in the board meeting scheduled on June 04, 2019. (previous year ₹ 2.00 per share) (refer note 45(i))	**-**	4,141.9
Dividend Distribution Tax	**-**	851.4
	-	4,993.3
Cash Dividend on Preference Shares declared and paid		
Dividend @ 0.01 % on Non-Cumulative Redeemable Preference Shares	**-***	**-***
Dividend Distribution Tax	**-***	**-***
Proposed Dividend on Preference Shares		
Dividend @ 0.01 % on Non-Cumulative Redeemable Preference Shares	**-***	**-***
Dividend Distribution Tax	**-***	**-***

-* Figure nullified in conversion of ₹ in Million

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax thereon).

14 Long Term Borrowings

	Non-current portion		Current portion	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Debentures				
2,520 (previous year 2,520) 9.35% Non Convertible Redeemable Debentures of ₹ 10,00,000 each Secured (Redeemable on July 04, 2026) (refer note (c) below)	**2,513.2**	2,512.5	**-**	-
16,000 (previous year 16,000) 7.65% Non Convertible Redeemable Debentures of ₹ 10,00,000 each Secured (Redeemable ₹ 5333.0 Million on October 31, 2025, ₹ 5333.0 Million on October 31, 2026 and ₹ 5334.0 Million on October 30, 2027) (refer note (e) below)	**15,843.6**	15,828.4	**-**	-
10,000 (previous year 10,000) 8.22% Non Convertible Redeemable Debentures of ₹ 10,00,000 each Secured (Redeemable ₹ 3333.0 Million on March 07, 2025, ₹ 3333.0 Million on March 07, 2026 and ₹ 3334.0 Million on March 08, 2027) (refer note (c) below)	**10,000.0**	10,000.0	**-**	-
13,000 (previous year 13,000) 8.24% Non Convertible Redeemable Debentures of ₹ 10,00,000 each Secured (Redeemable ₹ 4333.0 Million on November 29, 2024, ₹ 4333.0 Million on November 29, 2025 and ₹ 4334.0 Million on November 27, 2026) (refer note (d) below)	**13,000.0**	13,000.0	**-**	-
2,000 (previous year 2,000) 9.35% Non Convertible Redeemable Debentures of ₹ 10,00,000 each Secured (Redeemable ₹ 1000.0 Million on May 26, 2023 and ₹ 1000.0 Million on May 27, 2026) (refer note (a) below)	**1,982.5**	1,980.0	**-**	-
4,940 (previous year 4,940) 10.50% Non Convertible Redeemable Debentures of ₹ 10,00,000 each Secured (Redeemable at three annual equal instalments commencing from February 25, 2021) (refer note (a) below)	**4,940.0**	4,940.0	**-**	-
400 (previous year 400) 10.50% Non Convertible Redeemable Debentures of ₹ 10,00,000 each Secured (Redeemable in 4 quarterly equal instalments on December 27, 2020, March 27, 2021, June 27, 2021, and September 27, 2021) (refer note (b) below)	**394.0**	391.3	**-**	-
1,500 (previous year 9,000) 9.05% Non Convertible Redeemable Debentures of ₹ 10,00,000 each Secured (Redeemable on May 22, 2019) (refer note (a) below)	**-**	9,000.0	**1,500.0**	-
5,000 (previous year 5,000) 9.05% Non Convertible Redeemable Debentures of ₹ 10,00,000 each Secured. (Redeemable on April 10, 2019) (refer note (a) below)	**-**	4,983.4	**4,999.6**	-
Nil (previous year 5,000) 9.05% Non Convertible Redeemable Debentures of ₹ 10,00,000 each Secured (Redeemed ₹ 2500.0 Million on June 18, 2018 and ₹ 2500.0 Million on September 18, 2018) (refer note (c) below)	**-**	-	**-**	4,997.1
Nil (previous year 200) 10.50% Non Convertible Redeemable Debentures of ₹ 5,00,000 each (Redeemed on June 27, 2018 and September 27, 2018) (refer note (b) below)	**-**	-	**-**	100.0
Preference shares	**-**	-	**-**	-
Liability Component of Compound Financial Instrument - 0.01% Non Cumulative Redeemable Preference Shares (unsecured) (refer note 12(b))	**999.4**	916.9	**-**	-

	Non-current portion		Current portion	
	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million	**March 31, 2019 ₹ In Million**	March 31, 2018 ₹ In Million
Term loans				
Foreign currency loans:				
From banks (secured)	**7,333.7**	9,143.4	**1,511.2**	1,537.3
From banks (unsecured)	**10,985.2**	10,398.7	**-**	-
From Other financial institutions (secured)	**-**	146.0	**154.9**	141.1
3.50% Foreign Currency Bond priced at 195 basis points over the 5 years US Treasury Note (unsecured)	**44,950.8**	42,363.8	**-**	-
3.95% Foreign Currency Bond priced at 189 basis points over the 5 years US Treasury Note (unsecured)	**34,369.3**	32,303.3	**-**	-
4 % Foreign Currency Bond priced at 195 basis points over the 10 years US Treasury Note (unsecured)	**34,077.5**	32,030.6	-	-
Rupee loans:	**-**	-	**-**	-
From banks (secured)	**6,943.9**	3,990.2	**1,363.6**	597.8
From other financial institutions (unsecured)	**36.4**	36.6	**23.0**	12.0
From others (unsecured)	**24.8**	38.8	**-**	-
Foreign currency letters of credit	-	-	**-**	-
From banks (secured)	**-**	5,703.9	**-**	-
From banks (unsecured)	**10,438.9**	6,581.9	**1,612.4**	634.9
	198,833.2	206,289.7	**11,164.7**	8,020.2
The above amount includes	**-**	-	**-**	-
Secured borrowings	**62,950.9**	81,619.1	**9,529.3**	7,373.3
Unsecured borrowings	**135,882.3**	124,670.6	**1,635.4**	646.9
Amount disclosed under the head Current Financial Liabilities (refer note 15)	**-**	-	**(11,164.7)**	(8,020.2)
	198,833.2	206,289.7	**-**	-

Notes:

a) Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹ 13,422.1 Million (previous year ₹ 20,903.4 Million) which are secured by first Pari-passu charge on all the immovable and movable assets of Multi-purpose Terminal, Terminal-II and Container Terminal –II project assets.
₹ 7,500.0 Million (7500 debentures of ₹ 10,00,000/- each) were bought back on March 29, 2019 based on the resolution passed by the board at its meeting held on March 18, 2019.

b) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 394.0 Million (previous year ₹ 491.3 Million) which are secured by exclusive mortgage and charge on entire Single Point Mooring (SPM) facilities serving Indian Oil Corporation Limited - Mundra and the first charge over receivables from Indian Oil Corporation Limited.

c) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 12,513.2 Million (previous year ₹ 17,509.6 Million) which are secured by first pari-passu charge on all the movable and immovable assets pertaining to coal terminal project assets at Wandh.

d) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 13,000.0 Million (previous year ₹ 13,000.0 Million) which are secured by first pari-passu charge on specified assets of certain subsidiary companies' arrangements as per Debenture Trust Deed.

e) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 15,843.6 Million (previous year ₹ 15,828.4 Million) are secured by first pari-passu charge on specified assets of one of the subsidiary companies' arrangements as per Debenture Trust Deed.

f) Foreign currency loans aggregating to ₹ 1,201.1 Million (previous year ₹ 1,606.6 Million) carries interest @ 6 months Euribor plus 95 basis point. The above loan is repayable in 7 Semi-annual instalment of ₹ 171.6 Million from the balance sheet date. The loan is secured by exclusive charge on the Dredgers procured under the facility.

g) Foreign currency loans aggregating to ₹ 504.3 Million (previous year ₹ 700.4 Million) carries interest @ 6 months Euribor plus 75 basis point. The loan is repayable in 6 semi annually equal instalments of approx. ₹ 84.5 Million from the balance sheet date. The loan is secured by exclusive charge on the Cranes purchased under the facility.

h) Foreign currency letters of credit aggregating to ₹ Nil (previous year ₹ 5,703.9 Million) carried interest @ 3 to 6 months libor plus basis point in range of 21 to 46.The loan was secured against exclusive charge on assets purchased under the facility.

i) Unsecured Loan

(i) 5 years Foreign Currency Bond of USD 650 million equivalent to ₹ 44,950.8 Million (previous year ₹ 42,363.8 Million) carries interest @ 3.50 % p.a. with bullet repayment in the year 2020.

(ii) 5 years Foreign Currency Bond of USD 500 million equivalent to ₹ 34,369.3 Million (previous year ₹ 32,303.3 Million) carries interest rate at 3.95% p.a. with bullet repayment in the year 2022.

(iii) 10 years Foreign Currency Bond of USD 500 million equivalent to ₹ 34,077.5 Million (previous year ₹ 32,030.6 Million) carries interest rate at 4.00% p.a. with bullet repayment in the year 2027.

(iv) Foreign Currency Loan aggregating to ₹ 10,985.2 Million (previous year ₹ 10,398.7 Million) carries interest at 2.85% fixed for 18 months and than after 6 months Libor plus 125 basis point. is repayable in the year 2021.

(v) Foreign currency letters of credit aggregating to ₹ 5,536.1 Million (previous year ₹ 234.2 Million) carries interest at 3 months Libor plus basis point in range of 50 to 65 and 3 to 12 months Euribor plus basis point in range of 65 to 75. ₹ 5,536.1 Million payable on maturity from 2020-21 to 2021-22.

(vi) Rupee Term Loan aggregating to ₹ 59.4 Million (previous year ₹ 48.6 Million) carries interest ranging from 4.55 % p.a. to 7.95 % p.a. repayment beginning from May 2018 and having last repayment date on November 2021.

j) Term loan taken by the subsidiaries includes:

i) The company has suppliers bills accepted under foreign currency letter of credit amounting to ₹ Nil (previous year ₹ 11.1 Million). Suppliers bills accepted under foreign currency letter of credit carries interest Euribor plus 28 basis points and the loan is repaid on July 13, 2018. This facility is availed out of the facility sanctioned to the Company.

ii) Foreign currency term loans from financial institutions amounting to ₹ 154.9 Million (previous year ₹ 287.1 Million) taken by Karnavati Aviation Private Limited carries interest @ of libor plus 253 basis point. The Loan is repayable in 2 Half yearly instalments from balance sheet date. The loan is secured by hypothecation of Aircraft Challenger 605.
Foreign currency term loans from banks amounting to ₹ 742.4 Million (previous year ₹ 964.8 Million) taken by Karnavati Aviation Private Limited carries interest @ of libor plus 175 basis point. The Loan is repayable in 10 Quarterly instalments from balance sheet date. The loan is secured by hypothecation of Aircraft Legacy 650.

iii) Suppliers bills accepted under foreign currency letter of credit of Adani Hazira Port Private Limited amounting to ₹ Nil (previous year ₹ 894.4 Million). Suppliers bills accepted under foreign currency letter of credit carries interest in the range of Libor plus 0.21% to 0.51%. The same is repaid during the year.

iv) Foreign currency letter of credit of Adani Kattupalli Port Private Limited amounting to ₹ Nil (previous year ₹ 33.4 Million). Suppliers bills accepted under foreign currency letter of credit carries nil interest. The same is repaid during the year.

v) Suppliers bills accepted under foreign currency letters of credit of Adani Vizag Coal Terminal Private Limited aggregating of ₹ Nil (previous year ₹ 601.5 Million) carries interest of 3 Months Euribor 50 basis point. The loan is repaid on August 07, 2018.

vi) Loans from banks taken by The Dhamra Port Company Limited includes secured rupee term loan from banks amounting to ₹ 3,989.2 Million (previous year ₹ 4,586.0 Million) payable in 24 quarterly instalments starting from June 2016 to March 2022 carries interest @ 8.30% to 8.35% p.a. The loan is secured by a first pari passu charge on all immovable Property, Plant and Equipments (including lease hold properties), movable fixed assets, non-current assets & current assets (including book debts, operating cash flows, receivables, revenue), intangible assets, pertaining to the existing project capacity both present & future. Also secured by pledge of shares representing 30% of the total equity paid up capital of the Company. Foreign Currency Term loan prepaid during the year however, release of charge is pending at the end of Year.

Suppliers bills accepted under foreign currency letters of credit amounting ₹ 1,612.4 Million (previous year ₹ 1,519.6 Million). The loan is unsecured and carries interest 3 month LIBOR plus 1.20 basis point and 6 month LIBOR plus 0.5%. The loan is repayable by April 02, 2019. This facility is availed out of the facility sanctioned to the Company.

vii) Suppliers bills accepted under foreign currency letters of credit by Adani Ennore Container Terminal Private Limited aggregating to ₹ 3,459.3 Million (previous year ₹ 3,922.6 Million). The loan carries interest @ 3 to 6 Months Libor plus basis points in the range of 50 to 120.These facilities are availed out of the facilities sanctioned to holding company.

viii) Term Loan from Banks taken by MPSEZ Utilities Private Limited aggregating to ₹ 1.0 Million (previous year ₹ 2.0 Million) are secured by way of hypothecation of Plant and Machinery of Company's transmission & distribution business. The loan carries interest rate of Base Rate + 1% and is repayable in equal quarterly instalment after moratorium of 3 months. The tenure of loan is upto March 31, 2020.

ix) Loan taken by Adinath Polyfills Private Limited aggregating to ₹ 24.8 Million (previous year ₹ 38.8 Million) from its related parties.

x) Term Loan from Banks taken by Shanti Sagar International Dredging Private Limited aggregating to ₹ 6,397.1 Million (previous year ₹ 7,408.9 Million) are secured by way of first ranking exclusive charge over the assets of company committed under agreement, Charge on assets has been created through agreement in favor of Axis trustee service Limited acting on behalf of all the lenders. The same carries interest in the range of 6 month EURIBOR Zero ("0") plus 50 basis points. The loans are repayable 6 monthly in 20 equal installments commencing from May 16, 2018 and final repayment will be done on November 16, 2027.

xi) Loan taken by Adani Agri Logistics Limited aggregating to ₹ 2,904.3 Million from ICICI bank is secured by first exclusive charge on mortgage of immovable properties pertaining to the project, first exclusive charge by way of hypothecation of all movable assets, first exclusive charge on book debts, operating cash flows, receivables, commission, revenues of projects, first exclusive charge by way of hypothecation over Escrow Account and DSRA, first charge by way of assignment of project rights. The term loan will be repaid based on monthly instalments as per the loan repayment schedule agreed upon in the sanction letter.
- The Term Loan having sanctioned amount of ₹ 4,500.0 Million carries interest rate ranging from 8.75% p.a. to 9.25% p.a.
- The Term Loan having sanctioned amount of ₹ 250.0 Million carries interest rate ranging from 10.15% p.a. to 10.65% p.a.

xii) Indian rupee loan taken by Adani Agri Logistics (Satna) Limited aggregating to ₹ 174.0 Million from bank carries floating rate of interest of Yes Bank's 1 year MCLR + 0.35% per annum payable monthly. Applicable interest spread shall be reset first on the expiry of 36 months from the first disbursement and annually thereafter. The loan is secured on first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of projects. The repayment of term loan will commence from March 01, 2020 in 39 quarterly instalments.

xiii) Indian rupee loan taken by Adani Agri Logistics (Ujjain) Limited aggregating to ₹ 161.4 Million from bank carries floating rate of interest of Yes Bank's 1 year MCLR + 0.35% per annum payable monthly. Applicable interest spread shall be reset first on the expiry of 36 months from the first disbursement and annually thereafter. The loan is secured on first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of projects. The repayment of term loan will commence from June 01, 2019 in 42 quarterly instalments.

xiv) Indian rupee loan taken by Adani Agri Logistics (Dewas) Limited aggregating to ₹ 177.9 Million from bank carries floating rate of interest of Yes Bank's 1 year MCLR + 0.35% per annum payable monthly. Applicable interest spread shall be reset first on the expiry of 36 months from the first disbursement and annually thereafter. The loan is secured on first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of projects. The repayment of term loan have commenced from March 01, 2019 in 43 quarterly instalments.

xv) Indian rupee loan taken by Adani Agri Logistics (Kotkapura) Limited aggregating to ₹ 217.1 Million from bank carries floating rate of interest of Yes Bank's 1 year MCLR + 0.20% per annum payable monthly. Applicable interest spread shall be reset first on the expiry of 12 months from the first disbursement and annually thereafter. The loan is secured on first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of projects. The repayment of term loan will commence from November 20, 2019 in 70 quarterly structured instalments.

xvi) Indian rupee loan taken by Adani Agri Logistics (MP) Limited aggregating to ₹ 195.5 Million from bank carries floating rate of interest of Yes Bank's 1 year MCLR + 0.35% per annum payable monthly. Applicable interest spread shall be reset first on the expiry of 36 months from the first disbursement and annually thereafter. The loan is secured on first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of projects. The repayment of term loan will commence from June 01, 2019 in 42 quarterly installments.

xvii) Indian rupee loan taken by Adani Agri Logistics (Harda) Limited aggregating to ₹ 184.8 Million from bank carries floating rate of interest of Yes Bank's 1 year MCLR + 0.35% per annum payable monthly. Applicable interest spread shall be reset first on the expiry of 36 months from the first disbursement and annually thereafter. The loan is secured on first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of projects. The repayment of term loan will commence from March 01, 2020 in 39 quarterly instalments.

xviii) Indian rupee loan taken by Adani Agri Logistics (Hoshangabad) Limited aggregating to ₹ 186.3 Million from bank carries floating rate of interest of Yes Bank's 1 year MCLR + 0.35% per annum payable monthly. Applicable interest spread shall be reset first on the expiry of 36 months from the first disbursement and annually thereafter. The loan is secured on first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of projects. The repayment of term loan will commence from September 01, 2019 in 41 quarterly instalments.

xix) Letter of credit facilities taken by Adani Vizhinjam Port Private Limited of ₹ 1,443.5 Million (Previous year ₹ NIL) carries NIL interest rate. The facility is provided by Adani Ports and Special Economic Zone Limited out of its own bank credit facilities.

xx) Indian rupee loan taken by Adani Agri Logistics (Katihar) Limited aggregating to ₹ 116.0 Million from bank carries floating rate of interest of Yes Bank's 1 year MCLR + 0.20% per annum payable monthly. Applicable interest spread shall be reset first on the expiry of 12 months from the first disbursement and annually thereafter. The loan is secured on first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of projects. The repayment of term loan will commence from November 02, 2021 in 16 yearly instalments.

15 Other Financial Liabilities

	Non-current portion		Current portion	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Current maturities of long term borrowings (refer note 14)	**-**	-	**11,164.7**	8,020.2
Derivative Instruments	**108.8**	724.9	**363.1**	406.4
Capital creditors and retention money	**566.5**	367.4	**8,365.3**	7,276.4
Other payables (including discounts etc.)	**-**	-	**2,204.2**	1,515.8
Obligations under lease land (refer note (a) below)	**519.6**	68.5	**33.2**	1.3
Unpaid Dividends #	**-**	-	**10.8**	8.8
Interest accrued but not due on borrowings	**414.7**	222.1	**2,729.6**	3,128.5
Deposit from Customer	**45.3**	34.4	**304.2**	182.9
Financial Guarantees given	**5.6**	27.1	**6.6**	43.7
Put Option Liability (refer note 37)	**-**	-	**235.0**	-
	1,660.5	1,444.4	**25,416.7**	20,584.0

Not due for credit to "Investors Education & Protection Fund"

Notes:

(a) Assets taken under Finance Leases – land for purposes of developing, constructing, operating and maintaining the Mundra Port and related infrastructure for providing services to the users in accordance with the terms of the concession agreement with Gujarat Maritime Board (GMB). The lease rent is subject to revision every three years on 1st April by 20% of the previous amount. The lease rent terms are for the period of 30 years and are renewable accordingly with extension or renewal of the concession agreement. The lease agreement entered is non-cancellable till the termination or expiry of the concession agreement. There is no contingent rent, no sub-leases restrictions imposed by the lease arrangements. Expenses of ₹ 5.8 Million (previous year ₹ 5.9 Million) incurred under such lease have been expensed in the statement of profit and loss.

(b) Assets taken under Finance Leases - land for purpose of developing, operating and maintaining port and related infrastructure facilities in accordance with the terms of Concession Agreement with Government of Odisha. The lease rent is subject to revision for every 3 years by 10% of previous amount. The lease agreement entered is non-cancellable till the expiry of lease period. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. Expenses of ₹ 2.3 Million (previous year Nil) incurred under such lease have been expensed in the statement of profit and loss.

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

₹ In Million

Particulars	Within one year	After one year but not later than five years	More than five years	Total minimum lease payments	Less: Amounts representing finance charges	Present value of minimum lease payments
March 31, 2019						
Minimum Lease Payments	46.3	197.8	1,145.4	1,389.5	(836.7)	552.8
Finance charge allocated to future periods	13.1	75.7	747.9	836.7	-	-
Present Value of MLP	33.2	122.1	397.5	552.8	-	552.8
March 31, 2018	-	-	-	-	-	-
Minimum Lease Payments	7.1	31.3	83.4	121.8	(52.0)	69.8
Finance charge allocated to future periods	5.8	21.7	24.5	52.0	-	-
Present Value of MLP	1.3	9.6	58.9	69.8	-	69.8

(c) Disclosure with regards to changes in liabilities arising from Financing Activities - Ind AS7

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

₹ In Million

Particulars	Long-term Borrowings (including current maturities of long term debt)	Short-term borrowing (including bills discounting)	Interest accrued but not due	Unpaid Dividend on Equity and Preference Shares (including dividend distribution tax)	Derivative Contract	Total
April 1, 2018	214,309.9	7,731.7	3,350.6	8.8	1,062.2	226,463.2
Cash Flows	(16,553.6)	59,631.0	(14,717.2)	(5,050.5)	(176.3)	23,133.4
Foreign Exchange Movement	7,675.3	(124.4)	-	-	-	7,550.9
Change in fair value	248.1	(531.8)	227.9	-	-	(55.8)
Charged to Profit and Loss	-	-	14,283.0	-	(431.1)	13,851.9
Dividend recognised during the year	-	-	-	5,052.5	-	5,052.5
Acquisition adjustment	4,318.2	2,894.7	-	-	-	7,212.9
Bills discounted (net)	-	(4,142.5)	-	-	-	(4,142.5)
March 31, 2019	209,997.9	65,458.7	3,144.3	10.8	454.8	279,066.5

₹ In Million

Particulars	Long-term Borrowings (including current maturities of long term debt)	Short-term borrowing (including bills discounting)	Interest accrued but not due	Unpaid Dividend on Equity and Preference Shares (including dividend distribution tax)	Derivative Contract	Total
April 1, 2017	189,521.4	32,621.2	2,659.7	8.2	699.0	225,509.5
Cash Flows	24,038.1	(26,032.2)	(11,639.5)	(3,239.7)	(2,017.0)	(18,890.3)
Foreign Exchange Movement	1,530.4	19.2	142.0	-	-	1,691.6
Change in fair value	(780.0)	685.8	(385.1)	-	-	(479.3)
Charged to Profit and Loss	-	-	12,573.5	-	2,380.2	14,953.7
Dividend recognised during the year	-	-	-	3,240.3	-	3,240.3
Bills discounted (net)	-	437.7	-	-	-	437.7
March 31, 2018	214,309.9	7,731.7	3,350.6	8.8	1,062.2	226,463.2

16 Other Liabilities

	Non-current portion		Current portion	
	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million	**March 31, 2019 ₹ In Million**	March 31, 2018 ₹ In Million
Advance from customers	**-**	-	**659.0**	658.8
Deposit from customers	**-**	-	**154.3**	143.1
Statutory liability	**-**	-	**1,233.4**	915.1
Unearned Income under long term land lease/ Infrastructure usage agreements	**6,922.1**	7,525.3	**635.0**	607.8
Deferred Income on fair valuation of Deposit taken	**12.6**	13.7	**-**	-
Deferred Government Grant (refer note (i) below)	**4,372.1**	4,532.6	**120.4**	104.3
Deferred Revenue for Service Line Contributions	**273.4**	202.3	**-**	-
Unearned revenue	**-**	-	**658.8**	105.2
Contract liabilities (refer note (ii) below)	**3.1**	3.5	**2,181.8**	2,073.9
	11,583.3	12,277.4	**5,642.7**	4,608.2

Note:-

(i) Movement in Deferred Government Grant

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Opening Balance	**4,636.9**	3,366.1
Add : Addition during the year	**110.4**	1,356.5
Less : Adjustment during the year	**(140.3)**	-
Less: Amortisation during the year	**(114.5)**	(85.7)
Closing Balance	**4,492.5**	4,636.9

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

17 Short Term Borrowings

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Suppliers credit from bank (unsecured)	**5,174.1**	-
Suppliers credit from bank (secured)	**-**	11.7
Bills acceptances (Secured)	**10.0**	-
Packing Credit Foreign Currency Loan from bank - (Unsecured)	**1,728.9**	-
Commercial paper (Unsecured)	**54,968.2**	-
	61,881.2	11.7
Customers' Bills Discounted (Unsecured) (refer note 5 (c))	**3,577.5**	7,720.0
	65,458.7	7,731.7

Notes:

a) Suppliers bills accepted under foreign currency letters of credit aggregating to ₹ Nil (previous year ₹ 11.7 Million) carried interest at 6 Months Euribor plus 28 basis point. Subservient charge on movable fixed assets and current assets of the Company, except those secured by exclusive charge in favour of other lenders.

b) Factored receivables of ₹ 3,577.5 Million (previous year ₹ 7,720.0 Million) have recourse to the Company and interest liability on amount of bill discounted is borne by the customer. The maturity period of the transfer is 1 to 12 months period.

c) Suppliers bills accepted under letters of credit aggregating to ₹ 953.5 Million (previous year ₹ Nil) carries interest @ 8.22%.

d) Packing Credit foreign currency Loan aggregating to ₹ 1,728.9 Million (previous year ₹ Nil) carries interest at 1 Months Libor plus 75 basis point is repayable in August, 2019.

e) Commercial Paper (CP) aggregating ₹ 54,968.2 Million (previous year ₹ Nil) carried interest rate in range of 7.60 % to 8.20 % p.a. The CP had maturity period of 1 to 3 months.

g) Inland letter of credit facility taken by Dhamra LNG Terminal Private Limited from bank aggregating of ₹ 1,467.6 Million (Previous year ₹ Nil) is unsecured. This facility availed from bank out of the facility sanctioned to Adani Ports and Special Economic Zone Limited. Inland letter of credit carries interest rate of 7.50% to 8.50% per annum. The loan is repayable on maturity in the year 2019-20.

h) Inland Bill Payable Discounting of ₹ 1,073.2 Million (Previous year ₹ Nil) carries interest rate @ 9.60% per annum and is repayable on September 17, 2019 .

i) Inland Bill Payable Discounting of ₹ 1,614.1 Million (Previous year ₹ Nil) carries interest rate @ 9.30% per annum.

j) Bill acceptances aggregating to ₹ 10.0 Million carries Nil interest rate. The same is repayable on April 16, 2019.

k) Foreign Currency Letter of Credit facilities taken by Marine Infrastructure Developer Private Limited from Banks aggregating to ₹ 65.6 Million (previous year ₹ Nil) carries interest at the rate of EURIBOR Zero plus 63 basis points. The loan is repayable in January, 2020.

18 Trade and Other Payables

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Payables to micro and small enterprises (refer note 43)	**20.7**	0.7
Other trade payables	**5,700.0**	4,896.6
	5,720.7	4,897.3
Dues to related parties included in above (refer note 31)	**267.4**	342.9

19 Provisions

	Non-current portion		**Current portion**	
	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million	**March 31, 2019 ₹ In Million**	March 31, 2018 ₹ In Million
Provision for Employee Benefits				
Provision for gratuity (refer note 28)	**8.4**	2.1	**33.6**	25.3
Provision for compensated absences	**26.2**	40.1	**664.6**	620.2
	34.6	42.2	**698.2**	645.5
Other Provisions				
Provision for operational claims (refer note (a) below)	**-**	-	**294.3**	336.7
Provision for asset retirement obligation	**4.4**	-	**-**	-
	39.0	42.2	**992.5**	982.2

Note (a):

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Opening Balance	**336.7**	304.6
Add : Addition during the year	**-**	32.1
Less : Utilized / (Settled) during the year	**(42.4)**	-
Closing Balance	**294.3**	**336.7**

Operational Claims are the expected claims against outstanding receivables made/to be made by the customers towards shortages of stock, handling losses, damages to the cargo, storage and other disputes. The probability and the timing of the outflow/adjustment with regard to above depends on the ultimate settlement / conclusion with the respective customer.

20 Revenue from Operations

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Revenue from Contract with customer		
Income from Port Operations (including Port Infrastructure Services)	**89,862.3**	73,302.5
Income from Development of Container Infrastructure (refer note (e))	**-**	22,021.7
Utilities Services	**1,049.7**	955.7
Aircraft Operations	**290.1**	82.1
Logistics Services	**4,876.2**	7,331.6
	96,078.3	103,693.6
Lease, Upfront Premium and Deferred Infrastructure Income (refer note (b), (c), and (d) below)	**8,433.5**	5,915.3
Income from Export Incentive (Service Exports from India Scheme/Served from India Scheme)	**3,298.0**	2,633.8
Other operating income	**1,444.6**	986.9
	109,254.4	113,229.6

Notes:

a) Reconcilliation of revenue recognised with Contract Price

Particulars	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Contract price	**98,690.9**	105,220.2
Adjustment for:		
Change in Consideration	**(585.6)**	(307.1)
Refund Liability	**(2,157.4)**	(1,580.1)
Change in value of Contract Assets	**184.3**	191.7
Change in value of Contract Liabilities	**(53.9)**	168.9
Revenue from Contract with Customer	**96,078.3**	103,693.6

b) Lease Income includes annual income of ₹ 738.1 Million (previous Year ₹ 520.1 Million) in respect of land finance lease transaction.

c) Assets given under Finance Leases – The Company has given land on finance lease to various parties. All leases include a clause to enable upward revision of the rental charge every three to five years upto 20%. These leases have terms of between 12 and 50 years. The lease agreements entered are non-cancellable. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. The company has also received one-time income of upfront premium ranging from ₹ 1,500 to ₹ 5,373 per Sq. mtr for use of common infrastructure by the parties. Such one-time income of upfront premium is non-refundable. Income of ₹ 7,181.6 Million (previous year ₹ 5,376.7 Million) including upfront premium of ₹ 863.8 Million (previous year ₹ 2,963.3 Million) accrued under such lease have been booked as income in the statement of profit and loss.

Future minimum lease receivables under finance leases together with the present value of the net minimum lease payments receivable ("MLPR") are as follows:

₹ in Million

Particulars	March 31, 2019		March 31, 2018	
	Gross Investment in the Lease	Present Value of MLPR	Gross Investment in the Lease	Present Value of MLPR
Within One Year	**1,773.9**	**1,680.3**	460.7	425.9
After one year but not later than five years	**5,186.1**	**3,935.5**	2,676.5	2,025.6
More than five years	**30,196.4**	**8,969.9**	26,817.2	6,833.0
Total minimum lease receivables	**37,156.4**	**14,585.7**	29,954.4	9,284.5
Less: Amounts representing finance charges	**(22,570.7)**	-	(20,669.9)	-
Present value of minimum lease receivables	**14,585.7**	**14,585.7**	9,284.5	9,284.5

d) Land given under operating lease

The Company has given certain land portions on operating lease. These lease arrangements range for a period between 5 and 60 years. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable at the Balance Sheet date is as under:

₹ in Million

Particulars	March 31, 2019	March 31, 2018
For a period not later than one year	**940.5**	351.7
For a period later than one year and not later than five years	**6,197.8**	806.1
For a period later than five years	**10,766.6**	2,666.4
	17,904.9	3,824.2

e) During the previous year, the Company had transferred Container Terminal Infrastructure Assets to Adani CMA Mundra Terminal Private Limited ("ACMTPL") and Adani International Container Terminal Private Limited ("AICTPL"), (50:50) (joint venture entities), w.e.f. May 15, 2017 and November 1, 2017 respectively. The income from sale /sub-lease of core port assets aggregating to ₹ 22,021.7 Million are included in revenue from operations and corresponding related costs are shown under head Operating Expenses.

21 Other Income

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Interest income on		
Bank Deposits, Inter Corporate Deposits, Security Deposits etc.	**11,236.8**	7,901.7
Customer dues	**965.1**	1,109.1
Dividend income on Long-term Investments	**70.0**	40.0
Net Gain on Sale of Current Investments (Mutual Funds)	**430.2**	346.4
Scrap Sales	**205.2**	137.3
Unclaimed liabilities / excess provision written back	**189.7**	19.3
Financial Guarantee	**58.7**	43.7
Amortisation of Government Grant (refer note 16 (i))	**114.5**	85.7
Miscellaneous Income	**353.2**	426.1
	13,623.4	10,109.3

22 Operating Expenses

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Cargo handling / other charges to contractors (net of reimbursements)	**10,774.4**	9,699.4
Container Infrastructure Development Expenditure (refer note 20 (e))	**-**	7,496.5
Purchase of Power for utilities business	**1,404.3**	1,298.7
Customer Claims (including expected credit loss)	**321.3**	0.4
Railway's Service Charges	**3,976.5**	5,199.7
Tug and Pilotage Charges	**424.4**	348.7
Maintenance Dredging	**143.2**	82.1
Repairs to Plant & Equipment	**580.7**	505.4
Stores, Spares and Consumables	**2,577.4**	1,741.7
Repairs to Buildings	**114.8**	100.7
Power & Fuel	**3,203.1**	2,162.9
Waterfront Charges	**2,429.2**	1,996.2
Cost of Assets transferred under Finance Lease	**341.5**	119.6
Cargo Freight and Transportation Expenses	**1,097.3**	1,409.3
Aircraft Operating Expenses	**108.7**	103.4
Other expenses including Customs Establishment charges	**111.2**	53.6
	27,608.0	32,318.3

23 Employee Benefits Expense

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Salaries, Wages and Bonus	**4,883.7**	4,112.5
Contribution to Provident & Other Funds	**140.7**	125.6
Gratuity Expense (refer note 28)	**38.3**	40.9
Staff Welfare Expenses	**235.4**	194.2
	5,298.1	4,473.2

24 Finance Costs

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
a) Interest and Bank Charges		
Interest on		
Debentures and Bonds	**10,462.2**	9,352.3
Loans, Buyer's Credit etc.	**3,644.6**	2,613.7
Others	**53.0**	10.9
Bank and other Finance Charges	**123.2**	596.6
	14,283.0	12,573.5
b) (Gain) / Loss on Derivatives / Swap Contracts (net)	**(431.1)**	2,380.2
	13,851.9	14,953.7

25 Other Expenses

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Rent Expenses (refer note (a) below)	**365.0**	315.4
Rates and Taxes	**102.6**	52.9
Insurance	**455.7**	341.7
Advertisement and Publicity	**154.5**	173.7
Other Repairs and Maintenance	**590.7**	502.5
Legal and Professional Expenses	**962.6**	884.3
Corporate Support Service Fees	**669.2**	355.8
IT Support Services	**160.3**	158.7
Security Services Charges	**380.5**	380.3
Communication Expenses	**189.1**	147.6
Electric Power Expenses	**22.8**	35.0
Travelling and Conveyance	**417.2**	396.4
Directors' Sitting Fee	**3.8**	3.5
Commission to Non-executive Directors	**3.6**	4.8
Charity and Donations (refer note (b) below)	**949.6**	755.7
Diminution in value of inventories	**26.4**	3.0
Loss on Sale/Discard of Property, Plant and Equipment (net)	**41.4**	112.6
Miscellaneous Expenses	**178.5**	360.1
	5,673.5	**4,984.0**

Notes:

a) Assets taken under Operating Leases –

i) An office space and residential houses for staff accommodation are generally obtained on operating leases except that stated under note (b) below. The lease rent terms are generally for an eleven months period and are renewable by mutual agreement. There are no sub-leases and leases are cancellable in nature except that mentioned under note (b) below. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements and there is no escalation clause in the lease agreements except that mentioned under note (b) below. Expenses of ₹ 40.3 Million (previous year ₹ 42.1 Million) incurred under such leases have been expensed in the consolidated statement of profit and loss.

ii) An office premises have been taken on operating leases. The lease rent terms are for the period of 15 years and are renewable by mutual consent. The Company has given deposit of ₹ 1,000.0 Million as per the terms in one of the lease transaction. As per the lease agreement lease rental is escalated by 10% at every 5 years. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. Expenses of ₹ 1.1 Million (previous year ₹ 0.5 Million) incurred under such lease have been expensed in the statement of profit and loss.

Future minimum lease payable under operating leases are as follows:

₹ in Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
Not later than one year	**370.3**	278.0
Later than one year and not later than five years	**1,360.2**	1,066.5
Later than five years	**5,242.8**	4,765.3

b) Details of Expenditure on Corporate Social Responsibilities

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

(i) Gross Amount required to be spent during the year is ₹ 889.9 Million (previous year ₹ 711.3 Million).

(ii) Amount spent during the year ended

₹ in Million

Particulars	**In Cash**	**Yet to be paid in cash**	**Total**
March 31, 2019			
Construction/acquisition of any asset	**-**	**-**	**-**
On purposes other than above	**890.5**	**-**	**890.5**
Total	**890.5**	**-**	**890.5**
March 31, 2018			
Construction/acquisition of any asset	-	-	-
On purposes other than above	712.1	-	712.1
Total	712.1	-	712.1

26 Income Tax

The major component of income tax expenses for the year ended March 31, 2019 and March 31, 2018 are as under :-

(i) Tax Expense reported in the Consolidated Statement of Profit and Loss

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Current Income Tax		
Current Tax Charges	**10,576.0**	15,463.9
Tax(credit) under Minimum Alternative Tax	**(1,954.4)**	(950.4)
Deferred Tax		
Relating to origination and reversal of temporary differences	**2,193.1**	928.3
	10,814.7	15,441.8
Tax on Other Comprehensive Income ('OCI')		
Deferred tax related to items recognised in OCI during the year		
Tax impact on re-measurement gains/(losses) on defined benefit plans	**(3.2)**	2.8
Tax impact on net Gains on FVTOCI Equity Investments	**54.1**	17.4
	50.9	20.2

(ii) Balance Sheet Section

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Taxes recoverable (net) (refer note 8)	**2,363.9**	1,873.9
Liabilities for Current Tax (net)	**(285.6)**	(1,286.2)
	2,078.3	**587.7**

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

(iii) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

	March 31, 2019		March 31, 2018	
	%	**₹ In Million**	**%**	₹ In Million
Accounting profit before Income tax		**51,262.8**		52,341.3
At India's Statutory income tax rate	**34.94**	**17,913.3**	34.61	18,114.3
Add /(Less) Tax effect of:-				
Expenses not allowable under Tax Law	**0.52**	**266.5**	1.22	639.8
Deduction under chapter VI-A	**(3.66)**	**(1,874.4)**	(2.94)	(1,541.2)
Credit recognition of previous period tax losses	**(1.13)**	**(578.5)**	(0.87)	(455.5)
Income charged as per special provision of Income Tax Act, 1961	**(8.14)**	**(4,172.8)**	(4.64)	(2,427.4)
Income that is exempt from tax	**(0.05)**	**(24.5)**	(0.11)	(55.6)
Adjustment in respect of previous years	**2.92**	**1,495.0**	0.64	337.1
Reversal of excess provision of earlier years (refer note below)	**(5.94)**	**(3,044.1)**	-	-
MAT Credit of previous period (recognised)/derecognised	**(1.22)**	**(624.0)**	0.76	395.3
Deferred tax balances due to the change in income tax rate	**(0.04)**	**(21.4)**	0.09	48.5
Unused tax losses and tax offsets not recognised as deferred tax assets	**1.17**	**597.7**	2.19	1,148.2
Subsidiaries' charged at different tax rates	**0.72**	**371.4**	(0.86)	(451.9)
MAT credit not availed	**0.77**	**396.0**	0.03	14.0
Others	**0.22**	**114.5**	(0.62)	(323.8)
Income tax reported in Statement of Profit and Loss	**21.10**	**10,814.7**	29.50	15,441.8

Note:-

During the year, the Company filed its return of income for the Assessment Year 2018-19. Based on the opinion obtained by the Company with regard to certain tax positions, the Company has determined it's self-assessment tax. Consequently, the tax expense for the year ended March 31, 2019 is adjusted to the tune of ₹ 3,044.1 Million to give effect of self-assessment tax determined by the Company vis-a-vis tax provision made by the Company for the year ended March 31, 2018.

(iv) Deferred Tax Liability (net)

	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million	**March 31, 2019 ₹ In Million**	March 31, 2018 ₹ In Million
(Liability) on Accelerated depreciation for tax purpose	**(24,825.3)**	(17,489.1)*	**(7,336.2)**	(2,423.6)
Assets on Provision for Employee Benefits	**50.8**	49.5	**1.3**	9.3
Assets / (Liability) on other temporary differences	**248.1**	26.0	**222.1**	(255.3)
Assets on unrealised intra-group profit	**2,540.2**	2,218.2	**322.0**	498.7
Assets on account of unabsorbed losses/depreciation	**10,434.9**	4,910.2	**5,183.3**	1,274.7
Liability on finance lease receivables	**(344.9)**	-	**(344.9)**	-
Assets on Bond issue expenses amortization	**55.3**	96.9	**(41.6)**	(40.2)
(Liability) on Preference Share debt component	**(626.7)**	(655.5)	**28.8**	26.2
Assets on fair valuation of Corporate and Bank Guarantee	**(19.4)**	9.5	**(28.9)**	(20.9)
(Liability) on Deemed Investments	**(56.1)**	(56.1)	**-**	**-**
(Liability) on Business Combination adjustment (refer note 37)	**(2,266.8)**	-	**-**	**-**
(Liability) on SCA receivables/Intangible assets	**(341.4)**	-	**-**	**-**
(Liability) on Forward Mark to Mark	**(195.8)**	-	**(195.8)**	**-**
(Liability) on equity investment FVTOCI	**(319.5)**	(265.4)	**(54.1)**	(17.4)
	(15,666.6)	(11,155.8)	**(2,244.0)**	(948.5)

* Net deferred tax liabilities after effect of deferred tax amounting to ₹ Nil (Previous year ₹ 1,016.6 Million) on demerger of marine business (refer note 41).

(v) Deferred Tax reflected in the Balance Sheet as follows

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Deferred Tax Assets (net)	**10,283.8**	13,105.4
Deferred Tax Liabilities (net)	**(2,160.3)**	(1,424.0)
	8,123.5	11,681.4
Component of Deferred Tax Assets / (Liabilities)		
Tax Credit Entitlement under MAT	**23,790.1**	22,837.2
Less :Deferred tax liabilities (net)	**(15,666.7)**	(11,155.8)
	8,123.5	11,681.4

(vi) Reconciliation of Deferred tax liabilities (net)

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Tax expenses during the period recognised in Statement of Profit and Loss	**2,193.1**	928.3
Tax expenses during the period recognised in OCI	**50.9**	20.2
	2,244.0	948.5

MAT credit of ₹ 1,954.0 Million (previous year ₹ 1,345.7 Million) has been recognised in subsidiary entities Adani Petronet (Dahej) Port Private Limited, MPSEZ Utilities Private Limited, Adani Hospitals Mundra Private Limited and Adani Hazira Port Private Limited.

(vii) The Group has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recognised in the Balance Sheet

Financial Year	Amount (₹ in Million)	Expiry Date
2012-13	453.4	2027-28
2013-14	4,458.5	2028-29
2014-15	4,714.8	2029-30
2015-16	6,945.4	2030-31
2016-17	4,101.0	2031-32
2017-18	1,163.0	2032-33
2018-19	1,954.0	2033-34
Total	**23,790.2**	

(viii) Certain subsidiary companies have carried forward unabsorbed depreciation aggregating ₹ 12,513.9 Million (Previous year ₹ 9,036.9 Million) under the Income Tax Act,1961 for which there is no expiry date of its tax credit utilisation by the respective entities. Further certain subsidiary companies have carried forward losses aggregating ₹ 3,415.3 Million (previous year ₹ 4,820.5 Million) 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 year 2020-21 to 2026-27.

Deferred tax assets has not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by ₹ 5,490.6 Million (previous year ₹ 4,758.6 Million).

(ix) During the year ended March 31, 2019, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. DDT represents additional payment to taxation authority on behalf of the shareholders hence DDT paid is charged to other equity.

(x) Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that earnings of the subsidiary will not be distributed in the foreseeable future.

27 Earnings Per Share (EPS)

	March 31, 2019 ₹ In Million	March 31, 2018 ₹ In Million
Profit after tax	**39,902.2**	36,736.2
Less : Dividends on Non-Cumulative Redeemable Preference Shares and tax thereon	-*	-*
Net profit for calculation of basic and diluted EPS	**39,902.2**	**36,736.2**
-* Figures being nullified on conversion to ₹ in Million		
	No.	No.
Weighted average number of equity shares in calculating basic and diluted EPS	**2,07,09,51,761**	2,07,09,51,761
Basic and Diluted Earnings per Share (in ₹)	**19.27**	17.74

(This space has been intentionally left blank)

28 Disclosures as required by Ind AS - 19 Employee Benefits

a) The Group has recognised, in the Consolidated Statement of Profit and Loss for the current year, an amount of ₹ 142.5 Million(Previous Year ₹ 128.1 Million) as expenses under the following defined contribution plan.

₹ in Million

Contribution to	**March 31, 2019**	March 31, 2018
Provident Fund	**140.7**	125.6
Superannuation Fund	**1.8**	2.5
Total	**142.5**	128.1

b) The Group has a defined benefit gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Companies 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 asset-liability matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

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

Gratuity

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

₹ in Million

Particulars	**March 31, 2019**	March 31, 2018
Present value of the defined benefit obligation at the beginning of the year	**271.2**	243.0
Current service cost	**38.2**	40.5
Past Service Cost	**-**	-
Interest cost	**23.0**	18.6
Actuarial (gain) / loss arising from:	**-**	-
- change in demographic assumptions	**(6.6)**	-
- change in financial assumptions	**45.6**	(6.3)
- experience variance	**(17.5)**	(2.6)
Benefits paid	**(18.5)**	(18.9)
Liability Transfer In- Business acquisition adjustment	**23.5**	-
Liability Transfer In	**29.4**	13.5
Liability Transfer Out	**(24.4)**	(16.6)
Present value of the defined benefit obligation at the end of the year	**363.9**	271.2

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

₹ in Million

Particulars	**March 31, 2019**	March 31, 2018
Fair value of plan assets at the beginning of the year	**271.5**	221.5
Investment income	**22.3**	17.0
Contributions by employer	**44.7**	35.6
Benefits paid	**(5.3)**	(2.4)
Return on plan assets , excluding amount recognised in net interest expense	**(4.3)**	(0.2)
Acquisition Adjustment	**12.8**	-
Fair value of plan assets at the end of the year	**341.7**	271.5

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

₹ in Million

Particulars	**March 31, 2019**	March 31, 2018
Present value of the defined benefit obligation at the end of the year	**363.9**	271.2
Fair value of plan assets at the end of the year	**341.7**	271.5
Amount recognised in the balance sheet	**(22.2)**	0.3
Net asset - Current (refer note 7)	**19.8**	27.7
Net liability - Current (refer note 19)	**(33.6)**	(25.3)
Net liability - Non-current (refer note 19)	**(8.4)**	(2.1)

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

₹ in Million

Particulars	**March 31, 2019**	March 31, 2018
Current service cost	**38.2**	40.5
Net Interest on benefit obligation	**0.7**	1.8
Amount capitalized	**(0.6)**	(1.4)
Total Expense included in employee benefits expense	**38.3**	40.9

v) **Recognised in the other comprehensive income for the year**

₹ in Million

Particulars	**March 31, 2019**	March 31, 2018
Actuarial (gain)/losses arising from		
- change in demographic assumptions	**(6.6)**	**-**
- change in financial assumptions	**45.6**	(6.3)
- experience variance	**(17.5)**	(2.6)
Amount capitalized	**(0.3)**	-
Return on plan assets, excluding amount recognised in net interest expense	**4.3**	0.2
Recognised in other comprehensive income	**25.5**	(8.7)

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

Particulars	**March 31, 2019**	March 31, 2018
Discount rate	**7.60%**	7.80%
Rate of escalation in salary (per annum)	**8.00%**	7.00%
Mortality	**India Assured Lives Mortality (2006-08)**	India Assured Lives Mortality (2006-08)
Attrition rate	**7.75%**	10% for 5 years & below and 1% thereafter

The estimates of future salary increases, considered in actuarial valuation, takes into account 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.

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

Particulars	**March 31, 2019**	March 31, 2018
Investments with insurer	100%	100%

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

viii) Sensitivity Analysis

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, 2019**		March 31, 2018	
Assumptions	**Discount rate**		Discount rate	
Sensitivity level	**1% Increase**	**1% Decrease**	1% Increase	1% Decrease
Impact on defined benefit obligations	**₹ In Million**	₹ In Million	**₹ In Million**	₹ In Million
	(25.2)	**28.7**	(29.0)	34.5

Particulars	**March 31, 2019**		March 31, 2018	
Assumptions	**Salary Growth rate**		Salary Growth rate	
Sensitivity level	**1% Increase**	**1% Decrease**	1% Increase	1% Decrease
Impact on defined benefit obligations	**₹ In Million**	₹ In Million	**₹ In Million**	₹ In Million
	28.2	**(25.4)**	34.4	(29.5)

Particulars	**March 31, 2019**		March 31, 2018	
Assumptions	**Attrition rate**		Attrition rate	
Sensitivity level	**50% Increase**	**50% Decrease**	50% Increase	50% Decrease
Impact on defined benefit obligations	**₹ In Million**	₹ In Million	**₹ In Million**	₹ In Million
	(4.6)	5.7	(0.9)	2.9

Particulars	**March 31, 2019**		March 31, 2018	
Assumptions	**Mortality rate**		Mortality rate	
Sensitivity level	**10% Increase**	**10% Decrease**	10% Increase	10% Decrease
Impact on defined benefit obligations	**₹ In Million**	₹ In Million	**₹ In Million**	₹ In Million
	(0.0)	**0.0**	0.1	(0.1)

ix) Maturity profile of Defined Benefit Obligation

Particulars	**March 31, 2019**	March 31, 2018
Weighted average duration (based on discounted cash flows)	**7 years**	12 years

x) **The Following payments are expected contributions to the defined benefit plan in future years:** ₹ in Million

Particulars	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	**40.3**	14.4
Between 2 and 5 years	**161.7**	76.7
Between 5 and 10 years	**165.3**	87.8
Beyond 10 years	**366.3**	660.0
Total Expected Payments	**733.6**	838.9

The Group expects to contribute ₹ 61.9 Million to gratuity fund in the financial year 2019-20. (previous year ₹ 33.8 Million)

xi) 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)

29 Segment Information

Operating Segments

The identified reportable Segments are Port and SEZ activities at contiguous Special Economic Zone and others in terms of Ind-AS 108 "Operating Segments" as notified under section 133 of the Companies Act 2013. Other Segment mainly includes Aircraft Operating Income, Utilities services, Warehousing and transportation of food grains, Container Trains Services on specific Railway Routes and Multi-modal Cargo storage cum logistics services through development of Inland Container Depots at various strategic locations in terms of concession agreement from Ministry of Railways.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, other intangible assets, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Summary of segment information is given below:

₹ in Million

Particulars	Port and SEZ activities	Others	Eliminations	Total
Revenue				
External Sales	**102,089.6** *103,840.4*	**7,164.8** *9,389.2*	**-** -	**109,254.4** *113,229.6*
Inter-Segment Sales	**470.6** *1,091.0*	**997.2** *1,081.0*	**(1,467.8)** *(2,172.0)*	**-** -
Total Revenue	**102,560.2** *104,931.4*	**8,162.0** *10,470.2*	**(1,467.8)** *(2,172.0)*	**109,254.4** *113,229.6*
Results	-	-	-	-
Segment Results	**56,839.0** *58,043.9*	**1,150.4** *670.3*	**-** -	**57,989.4** *58,714.2*
Unallocated Corporate Income (Net of expenses)	**-** -	**-** -	**-** -	**(5,076.6)** *(430.0)*
Operating Profit	**56,839.0** *58,043.9*	**1,150.4** *670.3*	**-** -	**52,912.8** *58,284.2*
Less: Finance Expense	**-** -	**-** -	**-** -	**13,851.9** *14,953.7*
Add: Interest Income	**-**	**-**	**-**	**12,201.9**
	-	-	-	*9,010.8*

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

₹ in Million

Particulars	Port and SEZ activities	Others	Eliminations	Total
Profit before tax	-	-	-	**51,262.8**
	-	-	-	*52,341.3*
Tax Expense	-	-	-	**10,814.7**
	-	-	-	*15,441.8*
Profit after tax	-	-	-	**40,448.1**
	-	-	-	*36,899.5*
Less: Minority Interest	-	-	-	**545.3**
	-	-	-	*163.3*
Add : Share of joint venture entities	-	-	-	**(0.6)**
	-	-	-	-
Net profit	-	-	-	**39,902.2**
	-	-	-	*36,736.2*
Other Information	-	-	-	-
Segment Assets	**422,047.8**	**31,494.1**	-	**453,541.9**
	340,694.0	*14,425.1*	-	*355,119.1*
Unallocated Corporate Assets	-	-	-	**111,732.7**
	-	-	-	*118,632.1*
Total Assets	-	-	-	**565,274.6**
	-	-	-	*473,751.2*
Segment Liabilities	**34,713.8**	**1,728.1**	-	**36,441.9**
	30,944.9	*1,601.7*	-	*32,546.6*
Unallocated Corporate Liabilities	-	-	-	**281,351.3**
	-	-	-	*229,020.7*
Total liabilities	-	-	-	**317,793.2**
	-	-	-	*261,567.3*
Capital Expenditure during the year	**28,194.0**	**1,210.9**	-	**29,404.9**
	26,713.2	*608.3*	-	*27,321.5*
Segment Depreciation and amortisation	**13,158.8**	**576.0**	-	**13,734.8**
	11,338.9	*544.8*	-	*11,883.7*
Major Non-Cash Expenses other than Depreciation and amortisation (net)	**1,173.7**	-	-	**1,173.7**
	1,876.3	*3.0*	-	*1,879.3*
Unallocated Major Non-Cash Expenses other than Depreciation and amortisation (net)	-	-	-	**4,473.0**
	-	-	-	*1,464.0*

Previous year figures are in italics

Additional information regarding the Company's geographical segments:

₹ in Million

Sr No	Particulars	Revenue from External Customers		Non Current Assets	
		For the year ended March 31, 2019	For the year ended March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
1	India	**104,737.5**	109,116.2	**349,265.1**	284,205.4
2	Outside India	**4,516.9**	4,113.4	**1,066.7**	1,091.7

There is no transaction with single external customer which amounts to 10% or more of the Group's revenue.

30 Adani Ports and Special Economic Zone Limited's share in the voting power of subsidiary companies as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2019	Proportion of Ownership Interest (%) March 31, 2018
a	Adani Logistics Limited	India	**100**	100
b	Karnavati Aviation Private Limited	India	**100**	100
c	MPSEZ Utilities Private Limited	India	**100**	100
d	Mundra SEZ Textile and Apparel Park Private Limited	India	**55**	57
e	Adani Murmugao Port Terminal Private Limited	India	**100**	100
f	Mundra International Airport Private Limited	India	**100**	100
g	Adani Hazira Port Private Limited	India	**100**	100
h	Adani Petronet (Dahej) Port Private Limited	India	**74**	74
i	Hazira Infrastructure Private Limited	India	**100**	100
j	Madurai Infrastructure Private Limited (formerly known as Mundra LPG Infrastructure Private Limited)	India	**100**	100
k	Adani Vizag Coal Terminal Private Limited	India	**100**	100
l	Adani Kandla Bulk Terminal Private Limited (refer note (a) below)	India	**100**	100
m	Adani Warehousing Services Private Limited	India	**100**	100
n	Adani Ennore Container Terminal Private Limited	India	**100**	100
o	Adani Hospitals Mundra Private Limited	India	**100**	100
p	The Dhamra Port Company Limited	India	**100**	100
q	Shanti Sagar International Dredging Private Limited	India	**100**	100
r	Abbot Point Operations Pty Limited	Australia	**100**	100
s	Adani Vizhinjam Port Private Limited	India	**100**	100
t	Adani Kattupalli Port Private Limited	India	**100**	100
u	Adani Dhamra LPG Terminal Private Limited (till December 28, 2018)	India	**-**	100
v	Mundra LPG Terminal Private Limited (till December 28, 2018)	India	**-**	100
w	Dhamra LNG Terminal Private Limited	India	**100**	100
x	Adani Petroleum Terminal Private Limited	India	**100**	100
y	Abbot Point Bulkcoal Pty Limited	Australia	**100**	100
z	The Adani Harbour Services Private Limited	India	**100**	100
aa	Dholera Infrastructure Private Limited (refer note 2.4 (A) (i))	India	**49**	49
ab	Dholera Port and Special Economic Zone Limited	India	**100**	100
ac	Adinath Polyfills Private Limited	India	**100**	100
ad	Mundra International Gateway Terminal Private Limited	India	**100**	100
ae	Adani International Terminals Pte Limited	Singapore	**100**	100
af	Blue Star Realtors Private Limited (acquired on April 26, 2018)	India	**100**	-
ag	Adani Bhavanapadu Port Private Limited (incorporated on May 21, 2018)	India	**100**	-
ah	Marine Infrastructure Developer Private Limited (acquired on June 28, 2018)	India	**97**	-
ai	Adani Mundra Port Holding Pte. Limited (incorporated on October 30, 2018)	Singapore	**100**	-
aj	Adani Mundra Port Pte. Limited (incorporated on January 03, 2019)	Singapore	**100**	-
ak	Adani Abbot Port Pte. Limited (incorporated on January 03, 2019)	Singapore	**100**	-
al	Adani Yangon International Terminal Company Limited (Incorporated on February 22, 2019)	Myanmar	**100**	-
am	Dermot Infracon Private Limited (acquired on March 25, 2019)	India	**100**	-
an	Adani Agri Logistics Limited (acquired on March 29, 2019)	India	**100**	-
ao	Adani Agri Logistics (MP) Limited (acquired on March 29, 2019)	India	**100**	-
ap	Adani Agri Logistics (Harda) Limited (acquired on March 29, 2019)	India	**100**	-
aq	Adani Agri Logistics (Hoshangabad) Limited (acquired on March 29, 2019)	India	**100**	-
ar	Adani Agri Logistics (Satna) Limited (acquired on March 29, 2019)	India	**100**	-
as	Adani Agri Logistics (Ujjain) Limited (acquired on March 29, 2019)	India	**100**	-
at	Adani Agri Logistics (Dewas) Limited (acquired on March 29, 2019)	India	**100**	-
au	Adani Agri Logistics (Katihar) Limited (acquired on March 29, 2019)	India	**100**	-

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2019	Proportion of Ownership Interest (%) March 31, 2018
av	Adani Agri Logistics (Kotkapura) Limited (acquired on March 29, 2019)	India	**100**	-
aw	Adani Agri Logistics (Kannauj) Limited (acquired on March 29, 2019)	India	**100**	-
ax	Adani Agri Logistics (Panipat) Limited (acquired on March 29, 2019)	India	**100**	-
ay	Adani Agri Logistics (Raman) Limited (acquired on March 29, 2019)	India	**100**	-
az	Adani Agri Logistics (Nakodar) Limited (acquired on March 29, 2019)	India	**100**	-
ba	Adani Agri Logistics (Barnala) Limited (acquired on March 29, 2019)	India	**100**	-
bb	Adani Agri Logistics (Bathinda) Limited (acquired on March 29, 2019)	India	**100**	-
bc	Adani Agri Logistics (Mansa) Limited (acquired on March 29, 2019)	India	**100**	-
bd	Adani Agri Logistics (Moga) Limited (acquired on March 29, 2019)	India	**100**	-
be	Adani Agri Logistics (Borivali) Limited (acquired on March 29, 2019)	India	**100**	-
bf	Adani Agri Logistics (Dahod) Limited (acquired on March 29, 2019)	India	**100**	-
bg	Adani Agri Logistics (Dhamora) Limited (acquired on March 29, 2019)	India	**100**	-
bh	Adani Agri Logistics (Samastipur) Limited (acquired on March 29, 2019)	India	**100**	-
bi	Adani Agri Logistics (Darbhanga) Limited (acquired on March 29, 2019)	India	**100**	-

Adani Ports and Special Economic Zone Limited's share in the voting power in joint venture entities as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2019	Proportion of Ownership Interest (%) March 31, 2018
a	Adani International Container Terminal Private Limited	India	**50**	50
b	Adani CMA Mundra Terminal Private Limited	India	**50**	50
c	Adani NYK Auto Logistics Solutions Private Limited (Incorporated on September 17, 2018)	India	**51**	-

Note a) :

During the year 2016-17, the Company has accounted for purchase of 3,12,13,000 numbers of equity shares in Adani Kandla Bulk Terminal Private Limited at consideration of ₹ 312.1 Million. The equity shares have been purchased from the Adani Enterprises Limited, a group company whereby this entity has become a wholly owned subsidiary. As per the management, the transfer has been recorded based on Irrevocable Letter of Affirmation dated March 31, 2017 from the seller and acceptance by the Company although legal transfer of equity share of Adani Kandla Bulk Terminal Private Limited is still in process at year end.

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31 Related Party Disclosures

Related parties with whom transactions have been taken place.

Joint Venture Entities	Adani International Container Terminal Private Limited Adani CMA Mundra Terminal Private Limited Adani NYK Auto Logistics Solutions Private Limited (Incorporated on September 17, 2018)
Key Management Personnel and their relatives	Mr. Gautam S. Adani - Chairman and Managing Director Mr. Rajesh S. Adani - Director and Brother of Mr. Gautam S. Adani Mr. Karan G. Adani - Chief Executive Officer and son of Mr. Gautam S. Adani Dr. Malay Mahadevia, Wholetime Director Prof. G. Raghuram - Non-Executive Director Mr. Sanjay S. Lalbhai - Non-Executive Director Ms. Radhika Haribhakti - Non-Executive Director Mr. Mukesh Kumar - Non-Executive Director (from October 23, 2018) Mr. Gopal Krishna Pillai - Non-Executive Director Mr. Deepak Maheshwari - Chief Finance Officer (w.e.f May 03, 2018) Mr. B. Ravi - Chief Finance Officer (till February 12, 2018) Mr. Kamlesh Bhagia - Company Secretary (w.e.f August 06, 2018) Ms. Dipti Shah - Company Secretary (till July 31, 2018)
Entities over which (i) Key Management Personnel and their relatives & (ii) entities having significant influence over the Company have control or are under significant influence through voting powers	Abbot Point Port Holdings Pte Limited, Singapore Adani Foundation Adani Properties Private Limited Delhi Golf Link Properties Private Limited Adani Townships and Real Estate Company Private Limited Mundra Port Pty Limited, Australia Adani Infrastructure and Developers Private Limited Adani Mundra SEZ Infrastructure Private Limited Shanti Builders Adani Bunkering Private Limited Adani Enterprises Limited Adani Green Energy Limited Adani Green Energy (UP) Limited Adani Gas Limited Adani Trading Service LLP Adani Global FZE Adani Infra (India) Limited Adani Transport Limited Adani Infrastructure Management Services Limited Adani Power Dahej Limited Adani Power (Mundra) Limited Adani Power Limited Adani Power Maharashtra Limited Maharashtra Eastern Grid Power Transmission Company Limited Adani Power Rajasthan Limited Adani Wilmar Limited Kutch Power Generation Limited Belvedere Golf and Country Club Private Limited Gujarat Adani Institute of Medical Science Vishakha Renewable Private Limited Adani-Elbit Advanced Systems India Limited Sunanda Agri Trade Private Limited Adani Skill Development Centre Adani Electricity Mumbai Limited Prayatna Developers Private Limited Udupi Power Corporation Limited Shantigram Estate Management Private Limited Adani Global Pte Limited, Singapore Adani Renewable Energy (KA) Limited Parampujya Solar Energy Private Limited Golden Valley Agrotech Private Limited Wardha Solar (Maharashtra) Private Limited Adani Finserve Private Limited

Related parties with whom transactions have been taken place (Continue)

Entities over which (i) Key Management Personnel and their relatives & (ii) entities having significant influence over the Company have control or are under significant influence through voting powers	Adani Shipping Pte. Limited, Singapore Vishakha Solar Films Private Limited Adani Estates Private Limited Adani Power (Jharkhand) Limited Mundra LPG Terminal Private Limited (w.e.f December 29, 2018) Adani Dhamra LPG Terminal Private Limited (w.e.f December 29, 2018) Adani Cementation Limited Mundra Solar PV Limited Mundra Solar Technopark Private Limited

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Terms and conditions of transactions with related parties

Outstanding balances of the related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note:

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.

Aggregate of transactions for the year ended and balances thereof with these parties have been given below

(A) Transactions with Related Parties

₹ In Million

Sr No	Particulars	For the Year Ended	With Joint Ventures	With Other Entities*	Key Managerial Persons and their relatives
1	Income from Port Services / Other Operating Income	**March 31, 2019**	**4,291.5**	**10,043.9**	**-**
		March 31, 2018	2,676.5	7,822.7	-
2	Sale of Non Financial Assets	**March 31, 2019**	-	**1,846.2**	**-**
		March 31, 2018	-	1,173.3	-
3	Lease including Infrastructure Usage Income/ Upfront Premium (Includes Reversal)	**March 31, 2019**	**114.4**	**2,346.1**	**-**
		March 31, 2018	4,497.5	175.0	-
4	Income from Development of Container Terminal Infrastructure	**March 31, 2019**	**-**	**-**	**-**
		March 31, 2018	22,588.5	-	-
5	Interest Income on loans/ deposits/deferred accounts Receivable	**March 31, 2019**	**1,331.6**	**1,060.8**	**-**
		March 31, 2018	1,213.3	837.9	-
6	Purchase of Spares and consumables, Power & Fuel	**March 31, 2019**	**-**	**948.2**	**-**
		March 31, 2018	-	1,244.6	-
7	Recovery of expenses (Reimbursement)	**March 31, 2019**	**738.1**	**0.1**	**-**
		March 31, 2018	191.9	-	-
8	Services Availed (including reimbursement of expenses)	**March 31, 2019**	**53.7**	**1,011.0**	**-**
		March 31, 2018	-	718.0	-
9	Rent charges paid	**March 31, 2019**	**-**	**82.2**	**-**
		March 31, 2018	20.8	88.6	-
10	Sales of Scrap and other Miscellaneous Income	**March 31, 2019**	**2.6**	**154.7**	**-**
		March 31, 2018	5.7	90.1	-
11	Loans Given	**March 31, 2019**	**2,808.0**	**14.0**	**-**
		March 31, 2018	4,723.4	37.7	-
12	Loans Received back	March 31, 2018	557.2	41.7	-
13	Advance / Deposit Given	**March 31, 2019**	**-**	**1,257.5**	**-**
		March 31, 2018	-	180.0	-
14	Advance / Deposit Received Back	**March 31, 2019**	**-**	**1,100.0**	**-**
		March 31, 2018	-	100.0	-
15	Investment in equity shares	**March 31, 2019**	**30.6**	**-**	**-**
		March 31, 2018	482.3	-	-
16	Purchase of Subsidiaries	**March 31, 2019**	**-**	**9,657.0**	**-**
		March 31, 2018	-	-	-
17	Donation	**March 31, 2019**	**-**	**596.5**	**-**
		March 31, 2018	-	622.8	-
18	Sale of assets	**March 31, 2019**	**-**	**-**	**-**
		March 31, 2018	3,452.2	14.0	-
19	Remuneration	**March 31, 2019**	**-**	**-**	**191.9**
		March 31, 2018	-	-	197.6
20	Commission to Director	**March 31, 2019**	**-**	**-**	**10.0**
		March 31, 2018	-	-	10.0
21	Commission to Non-Executive Director	**March 31, 2019**	**-**	**-**	**3.6**
		March 31, 2018	-	-	3.6
22	Sitting Fees	**March 31, 2019**	**-**	**-**	**2.7**
		March 31, 2018	-	-	1.3

(B) Balances with Related Parties

₹ In Million

Sr No	Particulars	As at	With Joint Ventures	With Other Entities*	Key Managerial Persons and their relatives
1	Trade Receivable (net of bills discounted, refer note 5 (c))	**March 31, 2019**	**760.2**	**8,758.0**	**-**
		March 31, 2018	15,057.0	9,554.7	-
2	Loans	**March 31, 2019**	**14,890.4**	**32.5**	**-**
		March 31, 2018	12,133.7	-	-
3	Capital Advances	**March 31, 2019**	**0.9**	**297.5**	**-**
		March 31, 2018	0.9	1,520.2	-
4	Trade Payable (including provisions)	**March 31, 2019**	**31.7**	**235.7**	**-**
		March 31, 2018	32.2	310.7	-
5	Advances and Deposits from Customer/ Sale of Assets	**March 31, 2019**	**36.8**	**140.4**	**-**
		March 31, 2018	36.8	149.2	-
6	Other Financial & Non-Financial Assets	**March 31, 2019**	**1,708.6**	**21,911.6**	**-**
		March 31, 2018	1,601.3	9,048.3	-
7	Other Financial & Non-Financial Liabilities	**March 31, 2019**	**-**	**734.6**	**-**
		March 31, 2018	-	1,399.5	-
8	Corporate Guarantee	**March 31, 2019**	**USD 21.16 Mn**	**-**	**-**
					-
		March 31, 2018	USD 32.10 Million ₹ 4480.0	USD 800 Million -	- -
9	Corporate Guarantee (Deed of indemnity received). Loan outstanding USD Nil (previous year USD 288 Mn)	**March 31, 2019**	**-**	**-**	**-**
		March 31, 2018	**-**	USD 800 Million	-

* Entities over which (i) Key Management Personnel and their relatives & (ii) entities having significant influence over the Company have control or are under significant influence through voting powers.

Notes:

a) The Group has allowed to some of its joint venture entities and other group company to avail non fund based facilities out of its credit facilities. The aggregate of such transaction amount ₹ 11,523.3 Million (Previous year ₹ 2,400.8 Million).

b) Pass through transactions/payable relating to railway freight, water front charges and other payable to third parties have not been considered for the purpose of related party disclosure.

32 The Group takes various types of derivative instruments. The category-wise outstanding position of derivative instruments is as under:

Nature	Particulars of Derivatives		Purpose
	As at March 31, 2019	As at March 31, 2018	
INR - Foreign Currency Swap	**USD 216 Million (₹ 14,937.5 Million)**	USD 146 Million (₹ 9,515.6 Million)	Hedging of equivalent INR borrowings to mitigate higher interest rate of INR borrowings as against the foreign currency loans with possible risk of principal currency losses.
Forward Contract	**USD 156.50 Million**	USD 172.40 Million	Hedging of expected future billing based on foreign currency denominated tariff
	USD 77.61 Million	Nil	Hedging of foreign currency borrowing principal & interest liability
	USD 133.26 Million	USD 7.63 Million	Hedging of foreign currency LC / Buyer's Credit
	EUR 3.30 Million	Nil	Hedging of foreign currency borrowing principal and interest Liability
	Nil	EUR 62.75 Million	Hedging of foreign currency borrowing principal liability of USD against EUR
	USD 56 Million	USD 70 Million	Hedging of foreign currency borrowing principal liability of USD against JPY
Options	**Nil**	USD 1.07 Million	Hedging of foreign currency borrowing principal and interest liability
	Nil	EUR 90 Million	Hedging of foreign currency borrowing principal liability of USD against EUR
	Nil	USD 79 Million	Hedging of foreign currency borrowing principal liability of USD against JPY
Interest rate Swap - Fixed to Variable Rate	**Nil**	Interest on USD 225 Million Principal amount	Hedging of interest rate on foreign currency borrowing liability
Foreign Currency - INR Full Currency Swap	**USD 111.38 Million**	USD 111.38 Million	Hedging of currency and interest rate risk of foreign currency borrowing

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

Nature	**As at March 31, 2019**		As at March 31, 2018	
	Amount (₹ In Million)	**Foreign Currency (in Million)**	Amount (₹ In Million)	Foreign Currency (in Million)
Foreign Currency Loan	**13,288.2**	**USD 192.15**	11,580.8	USD 177.69
	8,197.4	**EUR 105.54**	10,107.4	EUR 125.08
Buyer's Credit	**2,823.7**	**USD 40.83**	11,753.2	USD 180.33
	87.5	**EUR 1.13**	681.9	EUR 8.44
Trade Payables and Other Current Liabilities	**1,123.4**	**USD 16.24**	270.3	USD 4.15
	9.3	**EUR 0.12**	20.7	EUR 0.26
	5.8	**JPY 9.34**	6.3	JPY 10.18
	18.3	**SGD 0.36**	23.7	SGD 0.48
	0.2	**GBP #**	3.0	GBP 0.03
Interest accrued but not due	**76.5**	**USD 1.11**	801.4	USD 12.30
	18.3	**EUR 0.24**	23.5	EUR 0.29
Trade Receivable	**390.0**	**USD 5.64**	-	-
Other Receivable	**841.7**	**AUD 17.17**	859.3	AUD 17.17
	264.5	**USD 3.82**	**-**	**-**
	*****	**EUR #**	4.3	EUR 0.05
Foreign Currency Bond	**106,403.6**	**USD 1,538.63**	100,279.9	USD 1,538.63
Loan Given	**4,602.3**	**USD 66.55**	4,337.4	USD 66.55

Figures being nullified on conversion to foreign currency in Million.
* Figures being nullified on conversion to ₹ in Million

Closing rates as at

	March 31, 2019	March 31, 2018
INR / USD	**69.15**	65.18
INR / EUR	**77.67**	80.81
INR / GBP	**90.53**	92.28
INR / JPY	**0.62**	0.62
INR / AUD	**49.02**	50.05
INR / SGD	**51.04**	49.82

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

33.1 Category-wise Classification of Financial Instruments:

₹ in Million

Particulars	Refer Note	As at March 31, 2019			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	47,981.9	47,981.9
Bank balances other than cash and cash equivalents	7,11	-	-	11,790.4	11,790.4
Investments in unquoted Equity Shares (other than investment in Joint Venture entities)	4	2,654.9	-	-	2,654.9
Investments in unquoted Mutual Funds	10	-	265.1	-	265.1
Investments in unquoted Debentures, Commercial Papers and Government Securities	4,10	-	-	4,873.0	4,873.0
Trade Receivables (including bill discounted)	5	-	-	27,896.6	27,896.6
Loans	6	-	-	27,671.5	27,671.5
Derivatives Instruments	7	-	725.7	-	725.7
Other Financial assets	7	-	-	64,174.3	64,174.3
Total		**2,654.9**	**990.8**	**184,387.7**	**188,033.4**
Financial Liabilities		-	-	-	-
Borrowings (including the bills discounted and current maturities)	14,15,17	-	-	275,456.6	275,456.6
Trade Payables	18	-	-	5,720.7	5,720.7
Derivative Instruments	15	-	471.9	-	471.9
Financial Guarantee given	15	-	-	12.2	12.2
Other Financial Liabilities	15	-	-	15,428.4	15,428.4
Total		**-**	**471.9**	**296,617.9**	**297,089.8**

₹ in Million

Particulars	Refer Note	As at March 31, 2018			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	8,234.8	8,234.8
Bank balances other than cash and cash equivalents	7,11	-	-	21,845.8	21,845.8
Investments in unquoted Equity Shares (other than investment in Joint Venture Entities)	4	2,421.4	-	-	2,421.4
Investments in unquoted Mutual Funds	10	-	8.3	-	8.3
Investments in unquoted Debentures, Commercial Papers and Government Securities	4,10	-	-	8,359.5	8,359.5
Trade Receivables (including bill discounted)	5	-	-	43,120.5	43,120.5
Loans	6	-	-	27,007.5	27,007.5
Advance paid for Acquisition		-	-	18,250.0	18,250.0
Derivative Instruments	7	-	619.1	-	619.1
Financial Guarantee received	7	-	-	43.7	43.7
Other Financial Assets	7	-	-	26,423.9	26,423.9
Total		**2,421.4**	**627.4**	**153,285.7**	**156,334.5**
Financial Liabilities		-	-	-	-
Borrowings (including the bills discounted and current maturities)	14,15,17	-	-	222,041.6	222,041.6
Trade Payables	18	-	-	4,897.3	4,897.3
Derivative Instruments	15	-	1,131.3	-	1,131.3
Financial Guarantee given	15	-	-	70.8	70.8
Other Financial Liabilities	15	-	-	12,806.1	12,806.1
Total		**-**	**1,131.3**	**239,815.8**	**240,947.1**

Note:- Investments in joint ventures, accounted using equity method, amounting to ₹ 30.0 Million (previous year ₹ Nil) are measured at cost hence not included in above tables.

33.2 Fair Value Measurements:

(a) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities:

₹ in Million

Particulars	As at March 31, 2019			As at March 31, 2018		
	Significant observable Inputs (Level 2)	**Significant unobservable Inputs (Level 3)**	**Total**	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	Total
Financial Assets						
Investment in unquoted Equity Investments measured at FVTOCI (refer note 4)	**-**	**2,654.9**	**2,654.9**	-	2,421.4	2,421.4
Investments in unquoted Mutual Funds measured at FVTPL (refer note 10)	**265.1**	**-**	**265.1**	8.3	-	8.3
Derivative Instruments (refer note 7)	**725.7**	**-**	**725.7**	619.1	-	619.1
Total	**990.8**	**2,654.9**	**3,645.7**	627.4	2,421.4	3,048.8
	-	**-**	**-**	-	-	-
Financial Liabilities	**-**	**-**	**-**	-	-	-
Derivative Instruments (refer note 15)	**471.9**	**-**	**471.9**	1,131.3	-	1,131.3
Total	**471.9**	**-**	**471.9**	1,131.3	-	1,131.3

(b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2019 and March 31, 2018 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares	DCF Method	Weighted Average Cost of Capital (WACC)	March 31, 2019 : 12.12% - 16.23% (14.18%) March 31, 2018 : 12.12% - 20.80% (16.46%)	1% increase would result in decrease in fair value by ₹ 107.1 Million as of March 31, 2019 (₹ 231.9 Million as of March 31, 2018)

(c) 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 Group management does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

33.3 Financial Risk objective and policies

The Group's principal financial liabilities, other than derivatives comprises of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations/projects and to provide guarantees to support Group's operations and its joint venture entities. The Group's principal financial assets include loans, investments including mutual funds, trade and other receivables, and cash and cash equivalents which is derived from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

In the ordinary course of business, the Group 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 Group'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 cross currency swaps, full currency swaps, interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduces the impact of both favourable and unfavourable fluctuations.

The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's Central Treasury Team ensures appropriate financial risk governance framework for the Group through appropriate policies & procedures and financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group'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 Group 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 end, the MTM for each derivative instrument outstanding is obtained from respective banks. All gain / loss arising from MTM for open derivative contracts and gain / loss on settlement / cancellation / roll over of derivative contracts is recorded in statement of profit and loss.

(A) Market risk

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

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2019. The analysis exclude the impact of movements in market variables on the carrying values of gratuity , other post-retirement obligations and provisions.

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

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

(i) Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

Interest rate sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended March 31, 2019 would decrease / increase by ₹ 212.7 Million (for the year ended March 31, 2018 : decrease / increase by ₹ 197.8 Million). This is mainly attributable to interest rates on variable rate of long term borrowings.

(ii) Foreign currency risk

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

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

₹ in Million

Particulars	Impact on Profit before Tax		Impact on Pre-tax Equity	
	For the year ended		For the year ended	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Liabilities				
USD Sensitivity				
₹/USD - Increase by 1%	**(634.0)**	(664.0)	**(634.0)**	(664.0)
₹/USD - Decrease by 1%	**634.0**	664.0	**634.0**	664.0
EURO Sensitivity	**-**	-	**-**	-
₹/EURO - Increase by 1%	**(68.6)**	(84.8)	**(68.6)**	(84.8)
₹/EURO - Decrease by 1%	**68.6**	84.8	**68.6**	84.8
GBP Sensitivity				
₹/GBP - Increase by 1%	**-***	-*	**-***	-*
₹/GBP - Decrease by 1%	**-***	-*	**-***	-*
SGD Sensitivity				
₹/SGD - Increase by 1%	**(0.2)**	(0.2)	**(0.2)**	(0.2)
₹/SGD - Decrease by 1%	**0.2**	0.2	**0.2**	0.2
JPY Sensitivity				
₹/JPY- Increase by 1%	**(0.1)**	(0.1)	**(0.1)**	(0.1)
₹/JPY - Decrease by 1%	**0.1**	0.1	**0.1**	0.1
Assets				
AUD Sensitivity				
₹/AUD- Increase by 1%	**8.4**	8.6	**8.4**	8.6
₹/AUD - Decrease by 1%	**(8.4)**	(8.6)	**(8.4)**	(8.6)

-* Figures being nullified on conversion to ₹ in Million

(iii) Equity price risk

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

The Company has given corporate guarantees and pledged part of its investment in equity in order to fulfil the collateral requirements of the subsidiaries and joint venture entities. The counterparties have an obligation to return the guarantees/ securities to the Company. There are no other significant terms and conditions associated with the use of collateral.

(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 loans to others, deposits with banks, financial institutions & others, foreign exchange transactions and other financial assets.

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

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

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

Concentrations of Credit Risk form part of Credit Risk

Considering that the group operates the port services and provide related infrastructure services, the group is significantly dependent on cargo from such large port user customer located at various ports. Out of total revenue, the Company earns 21% revenue from such customers and with some of these customers, the group has long term cargo contracts . Receivables from such customer constitute 39% of total trade receivables. A loss of these customer could adversely affect the operating result or cash flow of the Group.

(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 analyses 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 Million

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2019						
Borrowings (including the bills discounted)	14,15,17	-	76,623.4	116,714.9	82,118.3	275,456.6
Trade Payables	18	-	5,720.7	-	-	5,720.7
Derivatives Instruments	15	-	363.1	108.8	-	471.9
Financial Guarantees given	15	-	6.6	5.6	-	12.2
Other Financial Liabilities	15	-	13,882.3	1,148.6	397.5	15,428.4
Total		-	**96,596.1**	**117,977.9**	**82,515.8**	**297,089.8**
As at March 31, 2018		-	-	-	-	-
Borrowings (including the bills discounted)	14,15,17	-	15,751.9	126,316.0	79,973.7	222,041.6
Trade Payables	18	-	4,897.3	-	-	4,897.3
Derivatives Instruments	15	-	406.4	724.9	-	1,131.3
Financial Guarantees given	15	-	43.7	27.1	-	70.8
Other Financial Liabilities	15	-	12,113.7	633.5	58.9	12,806.1
Total		-	**33,213.0**	**127,701.5**	**80,032.6**	**240,947.1**

33.4 Capital Management

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

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

₹ in Million

Particulars	March 31, 2019	March 31, 2018
Total Borrowings (refer note 14,15 and 17)	**275,456.6**	222,041.6
Less: Cash and bank balance (refer note 7,11)	**59,772.3**	30,080.6
Net Debt (A)	**215,684.3**	191,961.0
Total Equity (B)	**245,382.0**	210,688.3
Total Equity and Net Debt (C = A + B)	**461,066.3**	402,649.3
Gearing ratio	**47%**	48%

In order to achieve this overall objective, the Group'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, 2019 and March 31, 2018.

34 Capital Commitments and other commitments

(i) Capital Commitments

Estimated amount of contracts (net of security deposits amounting to ₹ 23,574.5 Million included in note 7 and advances) remaining to be executed on capital account and not provided for ₹ 171,463.7 Million (previous year ₹ 36,428.2 Million) pertains to various projects to be executed during the next 5 years.

(ii) Other Commitments

a) The port projects of subsidiary companies viz. Adani Hazira Port Private Limited("AHPPL"), The Dhamra Port Company Limited ("DPCL"), joint venture Adani International Container Terminal Private Limited ("AICTPL") and joint venture Adani CMA Mundra Terminal Private Limited ("ACMTPL") have been funded through various credit facility agreements with banks. Against the said facilities availed by the aforesaid entities from the banks, the Company has pledged its shareholding in the subsidiary / joint venture companies and executed Non Disposal Undertaking, the details of which is tabulated below

The details of shareholding pledged by the Company is as follows :

Name of Subsidiaries / Joint Ventures	% of Non disposal undertaking (Apart from pledged)		% of Share Pledged of the total shareholding of investee company	
	As on March 31, 2019	As on March 31, 2018	**As on March 31, 2019**	As on March 31, 2018
Adani Hazira Port Private Limited	-	-	**27.25%**	27.25%
Adani International Container Terminal Private Limited	**24.97%**	-	**25.03%**	12.51%
The Dhamra Port Company Limited	**21.00%**	21.00%	**30.00%**	30.00%
Adani CMA Mundra Terminal Private Limited	-	-	**25.50%**	-

b) Contract/ Commitment for purchase of certain supplies. Advance given ₹ 3,569.5 Million (previous year ₹ 3,311.9 Million).

c) The subsidiary companies have imported capital good for its Container and Multipurpose Port Terminal Project under the EPCG Scheme at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 13,311.5 Million (previous year ₹ 20,199.0 Million) which is equivalent to 6 to 8 times of duty saved ₹ 2,180.3 Million (previous year ₹ 3,149.5 Million) . The export obligation has to be completed by 2019-20 to 2022-23.

d) One of the subsidiary company has entered into agreement in financial year 2013-14 to acquire land measuring 85,553 square meter in the Hazira region and an advance consideration of ₹ 182.3 Million paid towards the land has been classified as capital advance. The company has entered into agreement in financial year 2018-19 to acquire additional land measuring 310.02 hectare in the Patan region and an advance consideration of ₹ 347.0 Million paid towards the land classified as capital advance respectively. As at March 31, 2019, the company does not have physical possession of the said land, although it has contractual right in the said land parcels. The management represent that as land area and location is identifiable and the transaction will be concluded on receiving necessary government approvals.

e) As a part of Environmental Clearance obtained by the Vizhinjam International Sea Port Limited (VISL or 'the Authority'), the Company has been obliged to incur expenditure of ₹ 337.0 Million towards 'Corporate Social Responsibility' along with development of Port Infrastructure under Phase - I and the same is included under the total Project cost. Out of total commitment of ₹ 337.0 Million, the Company has incurred ₹ 74.6 Million till March 31, 2019.

f) The Company has provided a letter of support to one of the joint venture companies to provide financials support if and when needed to meet its financials obligation.

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35 **Contingent Liabilities not provided for** ₹ In Million

Sr. No.	Particulars	March 31, 2019	March 31, 2018
a	Corporate Guarantees given to banks and financial institutions against credit facilities availed by the joint venture entities. Amount outstanding there against ₹ 1,463.3 Million (previous Year ₹ 6,595.2 Million).	**3,457.8**	7,738.8
b	Corporate Guarantee given to a bank for credit facility availed by erstwhile subsidiary company, Mundra Port Pty Limited, Australia read with note (t) below. (Amount outstanding there against ₹ Nil (previous year ₹ 18,770.4 Million)	Refer note (u) below	Refer note (u) below
c	Certain facilities availed by the joint venture entities and other group company against credit facilities sanctioned to the company.	**11,523.3**	2,400.8
d	Bank Guarantees given to government authorities and bank (also includes DSRA bank guarantees given to Bank on behalf of subsidiaries and erstwhile subsidiaries.)	**1,733.7**	1,343.0
e	Civil suits filed by the Customers for recovery of damages against certain performance obligations. The said civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	**9.4**	9.4
f	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of ₹ 0.5 Million (previous year ₹ 0.5 Million) against the demand. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	**1.4**	1.4
g	Customs department notice for wrongly availing duty benefit exemption under DFCEC Scheme on import of equipment. The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Commissioner of Customs, Mumbai against order in original. The management is of view that no liability shall arise on the Company.	**2.5**	2.5
h	Various show cause notices received from Commissioner/ Additional Commissioner/ Joint Commissioner/ Deputy Commissioner of Customs and Central Excise, Rajkot and Commissioner of Service Tax, Ahmedabad and appeal there of, for wrongly availing of Cenvat credit/ Service tax credit and Education Cess credit on input services and steel, cement and other fixed assets during financial year 2006-07 to 2014-15. In similar matter, the Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of ₹ 45.0 Million (previous Year ₹ 45.0 Million) against the demand. These matters are pending before the Supreme Court, the High Court of Gujarat, Commissioner of Central Excise (Appeals), Rajkot and Commissioner of Service Tax, Ahmedabad. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company. Further, during the earlier year, the Company has received favourable order from High Court of Gujarat against demand in respect of dispute relating to financial year 2005-06 and favourable order from CESTAT against similar demand in respect of dispute relating to FY 2005-06 to FY 2010 -11 (up to Sept 2011).	**364.9**	364.9
i	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot and appeal thereof in respect of levy of service tax on various services provided by the Company and wrong availment of CENVAT credit by the Company during financial year 2009-10 to 2011-12. These matters are currently pending at High Court of Gujarat ₹ 67.2 Million (previous Year ₹ 67.2 Million); and Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹ 1.5 Million (previous Year ₹ 1.5 Million) and Commissioner of Service Tax Ahmedabad ₹ 0.3 Million (previous Year ₹ 0.3 Million). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	**69.0**	69.0
j	Commissioner of Customs, Ahmedabad has demanded vide letter no.4/Comm./SIIB/2009 dated 25/11//2009 for recovery of penalty in connection with import of Air Craft which is owned by Karnavati Aviation Private Limited (Formerly Gujarat Adani Aviation Private Limited.), subsidiary of the Company. Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the demand order, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	**20.0**	20.0

₹ In Million

Sr. No.	Particulars	March 31, 2019	March 31, 2018
k	In terms of the Show Cause Notice issued to a subsidiary company by the Office of the Commissioner of Customs for a demand of ₹ 183.3 Million along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Bombardier Challenger CI-600 under Non-Scheduled Operation Permit (NSOP) has been raised on the Company.	**183.3**	183.3
l	In terms of the Show Cause cum Demand Notice issued to subsidiary company by the Office of the Commissioner of Customs Preventive Section dated 27/02/2009, a demand of ₹ 146.7 Million along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Aircraft Hawker 850 XP under Non-Scheduled Operation Permit (NSOP) has been raised on the Company.	**145.3**	145.3
m	Notice received from Superintendent / Commissioner of Service Tax Department and show cause from Directorate General of Central Excise Intelligence for wrong availing of Cenvat Credit /Service tax credit and Education Cess on input services steel and cement on some of the subsidiary companies. The management is of the view that no liability shall arise on the subsidiaries companies.	**998.6**	389.8
n	Show cause notice received from Directorate General of Central Excise Intelligence for Non-Payment of Service Tax on Domestic Journey and on certain Foreign Service on reverse charge mechanism amounting to ₹ 30.3 Million. The subsidiary company had filed appeal with Commissioner of Service Tax & received order for the same. The subsidiary company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the order of Commissioner for confirmation of tax liability of ₹ 37.1 Million (including Penalty). The subsidiary company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise. The subsidiary company has paid ₹ 3.5 Million under protest.	**37.1**	37.1
o	During the Current year, a subsidiary company has received an adjudication order from Additional Superintendent from Stamps, demanding stamp duty of ₹ 221.6 Million, under the provisions of the Gujarat Stamps Act, 1950 ('the Act'), payable on acquisition of Marine Business Undertaking pursuant to the scheme of arrangement approved by the National Company Law Tribunal (NCLT) in previous year. Against the said order the Company has filed Special Civil Application (SCA) and Letters Patent Appeal (LPA) with Gujarat High Court which is disposed of by the High Court during the year and subsequent to the year-end respectively on the grounds to prefer appeal with appropriate appellate authority under the provisions of the Act. After the balance sheet date, the Company has filed an appeal with the Chief Controlling Revenue Authority and deposited ₹ 55.4 Million under protest for filling an appeal. As per the management's estimate, on the basis of advise from the legal experts, the Company has provided ₹ 44.3 Million in the current year in accordance with the provisions of the act and also doesn't expect any additional demand.	**177.3**	-
p	The Company has received demand notice of ₹ 18.2 Million (including Penalty of ₹ 15.1 Million) from Government of Andhra Pradesh, Department of Mines and Geology for evasion of Seigniorage fee of ₹ 3.0 Million on utilization of Earth / Gravel in development of East Quay – 1 (EQ-1) in Vishakhapatnam Port Trust. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	**18.2**	-
q	Revenue sharing on the storage income of subsidiary company as per concession arrangement for the Financial Year 2017-2018 & 2018- 2019	**460.1**	-
r	Various matters of subsidiaries companies pending with Income Tax Authorities	**60.5**	12.9
s	Statutory claims not acknowledged as debts	**4.6**	4.6

(t) The Company's tax assessments is completed till assessment year 2015-16, pending appeals with Appellate Tribunal for Assessment Year 2011-12 and CIT (Appeals) for Assessment Year 2012-13 to 2015-16. During the year, the Company has received a favourable order from Appellate Tribunal for assessment year 2009-10 and 2010-11. The management is reasonably confident that no liability will devolve on the Company.

(u) The Company had initiated and recorded the divestment of its entire equity holding in Adani Abbot Point Terminal Holdings Pty Limited ("AAPTHPL") and entire Redeemable Preference Shares holding in Mundra Port Pty Limited ("MPPL") representing Australia Abbot Point Port operations to Abbot Point Port Holdings Pte Limited, Singapore during the year ended March 31, 2013. The sale of securities transaction was recorded as per Share Purchase Agreement ('SPA') entered on March 30, 2013 including subsequent amendments thereto, with a condition to have regulatory and lenders approvals. The Company has all the approvals except in respect of approval from one of the lenders who has given specific line of credit to MPPL. The Company received entire sale consideration except AUD 17.17 Million as on reporting date. The Company expects to receive the said amount in next year.
The Company had an outstanding corporate guarantee to a lender of USD 800 million against line of credit to MPPL, which was repaid in full during the year hence the same guarantee is not effective as on reporting date. The Company had also pledged its entire equity holding of 1,000 equity shares of AUD 1 each in MPPL in favour of lender which are in the process of getting released at the reporting date. Outstanding loan against said corporate guarantee as on March 31, 2019 is Nil (previous year USD 288.00 million). Since financial year 2013-14, the Company has received corporate guarantee ('Deed of Indemnity') against above outstanding corporate guarantee from Abbot Point Port Holding Pte Limited, Singapore which is effective till discharge of underlying liability and as at reporting date is no longer effective.

(v) There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

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36 Interest in Joint Venture Entities

The company holds 50% interest in Adani International Container Terminal Private Limited and Adani CMA Mundra Terminal Private Limited, respectively and 51% in Adani NYK Auto Logistics Solutions Private Limited, joint venture entities incorporated in India.

(A) Summarised Balance Sheet and Statement of Profit and Loss of these entities are as below:

₹ In Million

Particulars	Adani CMA Mundra Terminal Private Limited		Adani International Container Terminal Private Limited		Adani NYK Auto Logistics Solutions Private Limited	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019#**	March 31, 2018
Share Capital and Reserve & Surplus	**(629.8)**	479.3	**4,320.6**	6,336.3	**58.8**	-
Non-current Liabilities	**16,123.7**	14,666.9	**34,945.6**	24,989.6	**-**	-
Current Liabilities	**5,465.4**	9,841.8	**3,221.7**	13,817.1	**0.2**	-
Non-current Assets	**20,283.1**	19,109.5	**40,938.1**	43,193.7	**30.0**	-
Current Assets	**676.3**	5,878.5	**1,549.8**	1,949.3	**28.9**	-
	-	-	**-**	-	**-**	-
Revenue	**3,696.3**	2,288.1	**9,202.4**	6,476.6	**0.5**	-
Operating Expenses	**(955.0)**	(536.6)	**(2,219.4)**	(1,549.4)	**-**	-
Terminal Royalty Expenses	**(442.9)**	(245.1)	**(1,858.4)**	(1,099.3)	**-**	-
Employee Benefit Expenses	**(68.3)**	(48.2)	**(128.3)**	(78.5)	**-**	-
Depreciation and Amortisation Expense	**(1,159.9)**	(1,048.8)	**(2,427.0)**	(1,557.6)	**-**	-
Foreign Exchange (loss)/Gain (net)	**(753.8)**	(73.8)	**(1,406.8)**	110.0	**-**	-
Finance Costs	**(1,289.9)**	(819.8)	**(2,061.0)**	(1,028.8)	**-**	-
Other Expenses	**(134.4)**	(68.9)	**(289.3)**	(306.2)	**(0.7)**	-
Profit / (Loss) before tax	**(1,107.9)**	(553.1)	**(1,187.8)**	966.8	**(0.2)**	-
Income-tax expense	**-**	-	**(825.9)**	(498.8)	**(0.1)**	-
Profit / (Loss) after tax	**(1,107.9)**	(553.1)	**(2,013.7)**	468.0	**(0.3)**	-
Other Comprehensive income	**(1.2)**	-*	**(2.0)**	0.1	**-**	-
Total Comprehensive Income	**(1,109.1)**	(553.1)	**(2,015.7)**	468.1	**(0.3)**	-
Capital and Other Commitments	**66.9**	8.5	**13.4**	48.3	**-**	-
Contingent liability not accounted for	-	-	**46.8**	46.8	**-**	-

-* Figures being nullified on conversion to ₹ in Million

Information pertaining to statement of profit and loss are for the period September 17, 2018 to March 31, 2019

(B) Reconciliation of carrying amounts of joint ventures **₹ In Million**

Particulars	Adani CMA Mundra Terminal Private Limited		Adani International Container Terminal Private Limited		Adani NYK Auto Logistics Solutions Private Limited	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
Net assets of joint venture entities	**(629.8)**	479.3	**4,320.6**	6,336.3	**58.8**	-
Proportion of Group's share	**50%**	50%	**50%**	50%	**51%**	-
Group's share	**(314.9)**	239.7	**2,160.3**	3,168.2	**30.0**	-
Fair valuation adjustment	**-**	-	**-**	-	**-**	-
Elimination from intra-group transactions	**314.9**	**(239.7)**	**(2,160.3)**	(3,168.2)	**-**	-
Carrying amount of Group's interest	**-**	-	**-**	-	**30.0**	-

(C) Unrecognised share of losses

₹ In Million

Particulars	Adani CMA Mundra Terminal Private Limited		Adani International Container Terminal Private Limited		Adani NYK Auto Logistics Solutions Private Limited	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
Unrecognised share of loss for the year	**554.6**	276.6	**1,007.9**	-	**-**	-
Cumulative shares of loss	**908.8**	354.2	**1,294.5**	286.6	**-**	-

37 Business Combinations and acquisitions during the year

(i) On June 28, 2018, the Company has acquired 97% equity stake of Marine Infrastructure Developer Private Limited, a non listed entity engaged in the business of Port Operations at Kattupali Port.

On March 29, 2019, Adani Logistics Limited ("subsidiary company") has acquired 100% equity stake of Adani Agri Logistics Limited (along with its subsidiaries), Adani Agri Logistics (Dahod) Limited, Adani Agri Logistics (Samastipur) Limited and Adani Agri Logistics (Darbhanga) Limited (jointly referred as "Adani Agri Logistics Companies"), non listed entities engaged in the business of Logistics Operations. The company is in the process of making a final determination of fair values of the identified assets and liabilities for the purpose of Purchase price allocation and the same is expected to be completed by March 31, 2020. Pending this, the business combination has been accounted based on provisional fair valuation report.

The fair value of the identifiable assets and liabilities as at the date of acquisition were:

₹ In Million

Particulars	Marine Infrastructure Developer Private Limited	Adani Agri Logistics Companies
Assets		
Property, Plant and Equipment	17,859.0	5,569.8
Capital work in progress	-	756.0
Other Intangible Assets	1,241.9	4,475.9
Other non-current financial/non financial assets	13.7	1,307.4
Trade Receivables	-	992.0
Inventories	4.7	8.9
Other current financial/non financial assets	-	261.5
Cash and Bank Balances	116.4	798.0
Total Assets	**19,235.7**	**14,169.5**
Liabilities		
Borrowings	-	7,212.8
Non current financial/non financial liabilities	119.3	110.5
Trade Payables	-	102.4
Current financial/non financial liabilities	1.5	243.3
Liabilities for Current Tax	-	-
Put option liability	235.0	-
Provisions	9.2	18.7
Deferred Tax liability (refer note (c) below)	683.6	1,583.2
Total Liabilities	**1,048.6**	**9,270.9**
	-	-
Total Identifiable Net Assets at fair value	**18,187.1**	**4,898.6**
Purchase Consideration paid	**-**	**-**
- For equity	3,880.0	9,457.0
- For Inter Corporate Deposits	15,620.0	-
	19,500.0	**9,457.0**
Non-Controlling Interests	**(119.7)**	-
Goodwill arising on acquisition	**1,432.6**	**4,558.4**

Note:-

(a) The determination of the fair value is based on discounted cash flow method. Key assumptions on which the management has based fair valuation includes estimated long-term growth rates, weighted average cost of capital and estimated operating margin. The Cash flow projections take into account past experience and represent the management's best estimate about future developments.

(b) Goodwill is attributable to future growth of business out of synergies from these acquisitions and assembled workforce.

(c) Impact of deferred tax adjustment amounting to ₹ 2,266.8 Million, arising on business combination, adjusted in Goodwill as per Ind AS - 12 Income Taxes.

(d) From the date of acquisition, Marine Infrastructure Developer Private Limited has contributed ₹ 1,443.0 Million and ₹ 638.5 Million to the Revenue and profit before tax to the Group. If the combination had taken place at the beginning of the year, revenue would have been ₹ 1,443.0 Million and the profit before tax to the group would have been ₹ 494.3 Million.

(e) From the date of acquisition, Adani Agri Logistics Companies has contributed ₹ 8.0 Million and ₹ 4.6 Million to the Revenue and loss before tax to the Group. If the combination had taken place at the beginning of the year, revenue would have been ₹ 1,194.2 Million and the loss before tax to the group would have been ₹ 76.7 Million.

(ii) On December 29, 2018, control over Adani Petroleum Terminal Private Limited ("APTPL") , a wholly owned subsidiary of APSEZL has been transferred to another group company falling under ultimate controlling entity where Key Managerial persons, Directors and their relatives are able to exercise significant influence. With effect from March 16, 2019, the control has been re-acquired as wholly owned subsidiary of Adani Logistics Limited (Subsidiary of APSEZL).

(iii) On December 29, 2018, Dhamra LNG Terminal Private Limited ("DLTPL"), a 100% subsidiary of Adani Petroleum Terminal Private Limited, whose control has been transferred to another group company falling under ultimate controlling entity where Key Managerial persons, Directors and their relatives are able to exercise significant influence. With effect from March 16, 2019, the control has been re-acquired as step down subsidiary of Adani Logistics Limited because APTPL has become subsidiary of ALL.

(iv) During the year, the Company's subsidiary company Adani Logistics Limited has acquired 100% equity shares of Blue Star Realtors Private Limited and Dermot Infracon Private Limited having free hold land amounting to ₹ 2,406.5 Million and ₹ 1,359.5 Million respectively.

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ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

Note - 38 - Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

₹ In Million

Name of entity	As at and for the year ended March 31, 2019							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Adani Ports and Special Economic Zone Limited	61.83%	204,916.7	60.41%	26,377.2	118.29%	188.2	60.62%	26,565.4
Subsidiaries Companies		-		-		-		-
Indian		-		-		-		-
The Adani Harbour Services Private Limited	8.29%	27,484.7	26.03%	11,365.9	-0.25%	(0.4)	25.94%	11,365.5
Adani Hazira Port Private Limited	6.21%	20,586.8	10.76%	4,698.3	-2.70%	(4.3)	10.71%	4,694.0
Adani Logistics Limited	6.71%	22,236.4	0.75%	326.4	0.38%	0.6	0.75%	327.0
The Dhamra Port Company Limited	6.55%	21,708.3	2.61%	1,137.4	-2.01%	(3.2)	2.59%	1,134.2
Adani Petroleum Terminal Private Limited	0.06%	184.8	-0.02%	(8.9)	-	-	-0.02%	(8.9)
Adani Petronet (Dahej) Port Private Limited	2.54%	8,411.4	4.85%	2,119.0	-12.70%	(20.2)	4.79%	2,098.8
Shanti Sagar International Dredging Private Ltd	0.97%	3,221.8	3.91%	1,707.3	-0.13%	(0.2)	3.90%	1,707.1
Adani Murmugao Port Terminal Private Limited	-0.37%	(1,238.4)	-2.37%	(1,033.9)	-0.31%	(0.5)	-2.36%	(1,034.4)
Adani Vizag Coal Terminal Private Limited	-0.53%	(1,745.6)	0.67%	293.7	-0.50%	(0.8)	0.67%	292.9
Adani Warehousing Services Private Limited	0.02%	53.2	0.07%	31.7	-	-	0.07%	31.7
Adani Hospitals Mundra Private Limited	0.01%	45.9	0.01%	6.0	-0.06%	(0.1)	0.01%	5.9
Mundra International Airport Private Limited	0.02%	63.4	-0.01%	(4.4)	-	-	-0.01%	(4.4)
Mundra SEZ Textile And Apparel Park Private Limited	-0.07%	(242.1)	-0.11%	(49.8)	-	-*	-0.11%	(49.8)
Adinath Polyfills Private Limited	0.00%	(13.5)	0.00%	(0.6)	-	-	0.00%	(0.6)
MPSEZ Utilities Private Limited	0.26%	863.0	0.17%	74.4	-0.31%	(0.5)	0.17%	73.9
Adani Ennore Container Terminal Private Limited	0.16%	546.2	-2.49%	(1,088.8)	0.13%	0.2	-2.48%	(1,088.6)
Adani Vizhinjam Port Private Limited	0.58%	1,913.7	-0.05%	(23.8)	-	-	-0.05%	(23.8)
Adani Kattupalli Port Private Limited	1.56%	5,183.3	0.23%	102.6	-	-	0.23%	102.6
Karnavati Aviation Private Limited	0.55%	1,823.1	-0.11%	(47.3)	-0.57%	(0.9)	-0.11%	(48.2)
Hazira Infrastructure Private Limited	0.08%	251.0	0.02%	9.1	-	-	0.02%	9.1
Mundra International Gateway Terminal Private Limited	0.00%	0.4	0.00%	(0.1)	-	-	0.00%	(0.1)
Adani Bhavanapadu Port Private Limited #	0.00%	0.5	-	-*	-	-	-	-*
Marine Infrastructure Developer Private Limited *	4.30%	14,259.4	1.33%	582.1	1.07%	1.7	1.33%	583.8
Blue Star Realtors Private Limited *	0.13%	431.3	-0.27%	(119.5)	-	-	-0.27%	(119.5)
Madurai Infrastructure Private Limited (formerly known as	0.00%	(0.2)	0.00%	(0.1)	-	-	0.00%	(0.1)
Dholera Port And Special Economic Zone Limited	-0.01%	(28.1)	-0.01%	(2.9)	-	-	-0.01%	(2.9)
Dhamra LNG Terminal Private Limited	0.00%	0.2	0.00%	(0.1)	-	-	0.00%	(0.1)
Adani Kandla Bulk Terminal Private Limited	-0.98%	(3,252.3)	-1.83%	(798.2)	-0.63%	(1.0)	-1.82%	(799.2)
Dholera Infrastructure Private Limited	-0.01%	(33.9)	-0.01%	(3.9)	-	-	-0.01%	(3.9)
Mundra LPG Terminal Private Limited (till December 28,	-	-	-0.01%	(2.6)	-	-	-0.01%	(2.6)
Adani Dhamra LPG Terminal Private Limited (till December 28, 2018)	-	-	-	-*	-	-	-	-*

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

Name of entity	As at and for the year ended March 31, 2019 ₹ In Million							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Adani Agri Logistics Limited *	1.17%	3,888.4	0.01%	4.0	-1.63%	(2.6)	0.00%	1.4
Adani Agri Logistics (MP) Limited *	-0.01%	(42.6)	0.00%	0.2	-	-*	0.00%	0.2
Adani Agri Logistics (Harda) Limited *	-0.01%	(36.0)	0.00%	(0.4)	0.06%	0.1	0.00%	(0.3)
Adani Agri Logistics (Hoshangabad) Limited *	-0.01%	(33.3)	0.00%	0.3	0.06%	0.1	0.00%	0.4
Adani Agri Logistics (Satna) Limited *	-0.01%	(36.9)	0.00%	0.1	0.06%	0.1	0.00%	0.2
Adani Agri Logistics (Ujjain) Limited *	0.00%	(7.7)	0.00%	0.9	-	-*	0.00%	0.9
Adani Agri Logistics (Dewas) Limited *	-0.01%	(20.1)	0.00%	0.7	-	-*	0.00%	0.7
Adani Agri Logistics (Katihar) Limited *	0.00%	3.0	0.00%	(0.8)	-	-	0.00%	(0.8)
Adani Agri Logistics (Kotakapura) Limited *	0.00%	(13.3)	0.00%	(0.3)	-	-*	0.00%	(0.3)
Adani Agri Logistics (Kannauj) Limited *	0.00%	(8.3)	-	-	-	-	-	-
Adani Agri Logistics (Panipat) Limited *	0.00%	(2.2)	-	-	-	-	-	-
Adani Agri Logistics (Moga) Limited *	0.00%	(2.1)	0.00%	(0.1)	-	-	0.00%	(0.1)
Adani Agri Logistics (Mansa) Limited *	0.00%	3.2	-	-*	-	-	-	-*
Adani Agri Logistics (Bathinda) Limited *	0.00%	9.0	-	-*	-	-	-	-*
Adani Agri Logistics (Barnala) Limited *	0.00%	(3.9)	0.00%	(0.1)	-	-	0.00%	(0.1)
Adani Agri Logistics (Nakodar) Limited *	0.00%	(0.7)	0.00%	(0.1)	-	-	0.00%	(0.1)
Adani Agri Logistics (Raman) Limited *	0.00%	1.2	-	-*	-	-	-	-*
Adani Agri Logistics (Dahod) Limited *	0.00%	0.5	-	-*	-	-	-	-*
Adani Agri Logistics (Borivali) Limited *	0.00%	0.5	-	-*	-	-	-	-*
Adani Agri Logistics (Dhamora) Limited *	0.00%	0.5	-	-*	-	-	-	-*
Adani Agri Logistics (Samastipur) Limited *	0.00%	0.4	-	-*	-	-	-	-*
Adani Agri Logistics (Darbhanga) Limited *	0.00%	0.4	-	-*	-	-	-	-*
Dermot Infracon Private Limited *	0.00%	(0.1)	0.00%	(0.1)	-	-	0.00%	(0.1)
		-		-		-		-
Foreign		-		-		-		-
Abbot Point Operations Pty Limited	-0.03%	(100.2)	-0.14%	(60.5)	-	-	-0.14%	(60.5)
Abbot Point Bulkcoal Pty Ltd	0.13%	447.3	0.42%	183.8	-	-	0.42%	183.8
Adani International Terminals Pte Limited	0.00%	(11.4)	-0.01%	(4.9)	-	-	-0.01%	(4.9)
Adani Mundra Port Holding Pte Ltd #	0.00%	0.1	0.00%	(0.3)	-	-	0.00%	(0.3)
Adani Mundra Port Pte. Limited #	0.00%	(0.2)	0.00%	(0.3)	-	-	0.00%	(0.3)
Adani Abbot Port Pte. Limited #	0.00%	(0.2)	0.00%	(0.3)	-	-	0.00%	(0.3)

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

₹ In Million

Name of entity	As at and for the year ended March 31, 2019							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Non-controlling interest	-0.63%	(2,099.4)	-1.25%	(545.3)	2.77%	4.4	-1.23%	(540.9)
Joint Venture Entities		-		-		-		-
Indian		-		-		-		-
Adani International Container Terminal Private Limited	0.65%	2,160.3	-2.31%	(1,006.8)	-0.63%	(1.0)	-2.30%	(1,007.8)
Adani CMA Mundra Terminal Private Limited	-0.10%	(314.9)	-1.27%	(554.0)	-0.38%	(0.6)	-1.27%	(554.6)
Adani NYK Auto Logistics Solutions Private Limited '#	0.01%	30.0	0.00%	(0.2)	-	-	0.00%	(0.2)
Sub total	**100%**	**331,442.7**	**100%**	**43,661.7**	**100%**	**159.1**	**100%**	**43,820.8**
CFS Adjustments and Eliminations		(86,060.7)		(3,759.5)		(0.6)		(3,760.1)
Total	**100.00%**	**245,382.0**	**100.00%**	**39,902.2**	**100.00%**	**158.5**	**100.00%**	**40,060.7**

-* Figures being nullified on conversion to ₹ in Million

* Company acquired during the year

Company incorporated during the year.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

₹ In Million

Name of entity	As at and for the year ended March 31, 2018							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Adani Ports And Special Economic Zone Limited	71.27%	182,832.6	69.33%	24,081.0	84.91%	86.1	69.38%	24,167.1
Subsidiaries Companies		-		-		-		-
Indian		-		-		-		-
The Adani Harbour Services Private Limited	8.18%	20,987.8	25.03%	8,691.8		-*	24.95%	8,691.8
Adani Hazira Port Private Limited	6.20%	15,892.7	12.08%	4,196.9	0.99%	1.0	12.05%	4,197.9
Adani Petronet (Dahej) Port Private Limited	2.54%	6,521.2	2.08%	722.8	17.26%	17.5	2.13%	740.3
Shanti Sagar International Dredging Private Limited	0.07%	176.5	0.52%	179.4		-*	0.52%	179.4
Adani Kandla Bulk Terminal Private Limited	-0.96%	(2,453.1)	-3.28%	(1,139.5)	0.10%	0.1	-3.27%	(1,139.4)
Dhamra LNG Terminal Private Limited	0.00%	0.3	0.00%	(0.1)	-	-	0.00%	(0.1)
Adani Petroleum Terminal Private Limited	0.00%	(4.2)	-0.02%	(6.1)	-	-	-0.02%	(6.1)
Mundra LPG Terminal Private Limited	0.00%	(1.2)	0.00%	(0.1)	-	-	0.00%	(0.1)
Adani Dhamra LPG Terminal Private Limited	0.00%	(0.1)	0.00%	(0.1)	-	-	0.00%	(0.1)
The Dhamra Port Company Limited	4.22%	10,813.4	-1.30%	(452.4)	0.20%	0.2	-1.30%	(452.2)
Adani Murmugao Port Terminal Private Limited	-0.08%	(204.0)	-1.43%	(496.2)		-*	-1.42%	(496.2)
Adani Logistics Limited	1.79%	4,586.1	0.43%	148.3	0.59%	0.6	0.43%	148.9
Adani Vizag Coal Terminal Private Limited	-0.79%	(2,038.4)	-5.33%	(1,852.9)		-*	-5.32%	(1,852.9)
Adani Warehousing Services Private Limited	0.01%	21.5	0.06%	21.7	0.00%	-	0.06%	21.7
Adani Hospitals Mundra Private Limited	0.00%	5.8	-0.03%	(11.7)	0.10%	0.1	-0.03%	(11.6)
Mundra International Airport Private Limited	0.00%	4.2	-0.03%	(9.0)	0.00%	-	-0.03%	(9.0)
Mundra SEZ Textile And Apparel Park Private Limited	-0.08%	(193.7)	-0.16%	(57.3)		-*	-0.16%	(57.3)
Adinath Polyfills Private Limited	0.00%	(12.8)	0.00%	(1.0)	0.00%	-	0.00%	(1.0)
MPSEZ Utilities Private Limited	0.31%	789.1	0.38%	131.5	0.10%	0.1	0.38%	131.6
Adani Ennore Container Terminal Private Limited	-0.10%	(265.3)	-0.76%	(264.2)	0.20%	0.2	-0.76%	(264.0)
Adani Vizhinjam Port Private Limited	0.76%	1,937.5	-0.02%	(8.5)	-	-	-0.02%	(8.5)
Adani Kattupalli Port Private Limited	5.68%	14,580.7	2.53%	878.1	-	-	2.52%	878.1
Karnavati Aviation Private Limited	0.10%	265.4	-0.11%	(39.1)	-*	-*	-0.11%	(39.1)
Hazira Infrastructure Private Limited	0.09%	241.9	0.02%	7.7	-	-	0.02%	7.7
Madurai Infrastructure Private Limited (formerly known as Mundra LPG Infrastructure Private Limited)	0.00%	(0.1)	0.00%	(0.1)	-	-	0.00%	(0.1)
Mundra International Gateway Terminal Private Limited	0.00%	0.5		-*	-	-		-*
Dholera Port And Special Economic Zone Limited	-0.02%	(39.2)	-0.01%	(3.4)	-	-	-0.01%	(3.4)
Dholera Infrastructure Private Limited	-0.02%	(45.1)	-0.01%	(3.8)	-	-	-0.01%	(3.8)
Foreign		-		-		-		-
Abbot Point Operations Pty Limited	-0.02%	(42.8)	-0.01%	(4.8)	-	-	-0.01%	(4.8)
Abbot Point Bulkcoal Pty Limited	0.11%	276.0	0.68%	235.5	-	-	0.68%	235.5
Adani International Terminals Pte Limited	0.00%	(6.2)	-0.02%	(6.2)	-	-	-0.02%	(6.2)

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

₹ In Million

Name of entity	As at and for the year ended March 31, 2018							
	Net Assets i.e total assets minus		Share in Profit or Loss		Share in Other Comprehensive		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Non-controlling interest	-0.58%	(1,495.6)	-0.47%	(163.3)	-4.44%	(4.5)	-0.48%	(167.8)
		-		-		-		-
Joint Venture Entities		-		-		-		-
Indian		-		-		-		-
Adani International Container Terminal Private Limited	1.23%	3,168.1	0.67%	234.0	-*	-*	0.67%	234.0
Adani CMA Mundra Terminal Private Limited	0.09%	239.6	-0.80%	(276.6)	-*	-*	-0.79%	(276.6)
Sub total	**100.00%**	**256,539.1**	**100.00%**	**34,732.3**	**100.00%**	**101.4**	**100.00%**	**34,833.7**
CFS Adjustments and Eliminations		(45,850.8)		2,003.9		(7.4)		1,996.5
Total	**100.00%**	**210,688.3**	**100.00%**	**36,736.2**	**100.00%**	**94.0**	**100.00%**	**36,830.2**

-* Figures being nullified on conversion to ₹ in Million

39 The Company had entered into preliminary agreement with a party for development and maintenance of Liquefied Natural Gas ("LNG") terminal infrastructure facilities at Mundra ("the LNG Project") vide preliminary agreement dated September 30, 2014. The Company had, during the quarter ended September 30, 2014, recognised project service revenue of ₹ 2,000.0 Million towards land reclamation pending conclusion of a definitive agreement based on the activities completed. The LNG Project is substantially completed and the Company and the other party have spent substantial amounts on their respective areas as per the agreement on the LNG Project which are within their scope. During the current year, the Management has assessed that it would be prudent to record revenue from this project once definitive agreements are executed by both the parties. Consequently the Company has derecognised accrued income amounting to ₹ 1,219.0 Million (net off advance of ₹ 500.0 Million received and cost recognised earlier). The same is presented as an exceptional item in the financial statements for the year ended March 31, 2019. The Management based on its assessment of ongoing activities, is of the view that project costs amounting to ₹ 5,628.9 Million incurred by the Company towards the LNG Project is considered fully recoverable.

40 (a) Adani Vizag Coal Terminal Private Limited ("AVCTPL") - a subsidiary of the Company is engaged in Port services under concession from one of the port trust authorities of the Government of India. The port operations were suspended temporarily due to operational bottlenecks beyond the subsidiary's control during 2016-17. The Port authority issued Consultation Notice to AVCTPL in accordance with the provisions of the Concession Agreement. As at March 31, 2018, AVCTPL had assessed the appropriateness of the carrying value of the Service Concession Rights in it's books and had recorded an impairment amounting to ₹ 1,551.8 Million based on best estimates by its management. During the current financial year, on account of certain positive developments in operations such as permission for road movement, rake availability for cargo evacuation and entering into long term contract for cargo handling, the Consultation Notice has been withdrawn by the Port authority and AVCTPL has resumed the port operations. AVCTPL has received relaxation in the form of rationalisation on revenue share from storage income from the Port Trust in accordance with guidelines from Ministry of Shipping (MoS). This will result into improving the operating efficiency and ultimately result in generation of cash and able to meet its financial obligation. As at March 31, 2019, the Group has reassessed the carrying values of Service Concession Rights and has reversed an impairment loss amounting to ₹ 529.5 Million based on the estimates made by the management. The same is presented as an exceptional item in the financial statements for the year ended March 31, 2019.

(b) The Group has determined the recoverable amounts of Property, Plant and Equipment & Intangible Assets (comprising of service concession rights) in case of Adani Kandla Bulk Terminal Private Limited ("AKBTPL") amounting to ₹ 8,342.0 Million and Adani Murmugao Port Terminal Private Limited ("AMPTPL") amounting to ₹ 3,554.1 Million over its useful life under Ind AS 36, Impairment of Assets based on the estimates relating to cargo traffic, port tariffs, inflation, discount rates, revenue share on income etc. which are considered reasonable by the Management. The Company has been providing financial support to these entities to meet its financial obligations, if and when required. AKBTPL has received relaxation in the form of rationalisation on revenue share from storage income from the Port Trust in accordance with guidelines from MoS. AMPTPL is in the process of applying for similar rationalization as it believes that the project meets the criteria as prescribed in the guidelines. This will result in improving the operating efficiency and ultimately result in generation of cash and able to meet its financial obligation.
On a careful evaluation of the aforesaid factors, the Management of the Company has concluded that the recoverable amounts of Property, Plant and Equipment & Intangible Assets is higher than their carrying amounts as at March 31, 2019 and no provision for impairment in respect of these assets is considered necessary at this stage.

(c) AMPTPL has incurred a net loss of ₹ 1,034.4 Million during the year ended March 31, 2019 and, as of that date, it's accumulated losses of ₹ 2,397.3 Million exceeded the Equity Share Capital of ₹ 1,158.9 Million resulting in the net worth being negative at ₹ 1,238.4 Million. AMPTPL has incurred cash loss in current year as well as in the previous year. This being an infrastructure project having long gestation period, the AMPTPL's 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. During the year, Ministry of Shipping (MoS) has issued guidelines providing substantial rationalization in the revenue share on storage charges for certain category of port projects. AMPTPL is in the process of applying for such rationalization. The Project's viability is significantly dependent on AMPTPL being granted the rationalization in the revenue share on storage charges as enunciated in the aforesaid guidelines.

41 During the previous year, the National Company Law Tribunal, Ahmedabad Bench vide its order dated July 31, 2017 (for Adani Hazira Port Private Limited ("AHPPL") and Adani Petronet (Dahej) Port Private Limited ("APDPPL") and order dated August 18, 2017 (for Adani Ports and Special Economic Zone Limited ("APSEZL") has approved the scheme of arrangement for demerger of Marine business undertaking with The Adani Harbour Services Private Limited ("TAHSPL") with effect from April, 1, 2016 (the appointed date). The Scheme became effective from August 14, 2017 (for AHPPL and APDPPL) and August 23, 2017 (for APSEZL) upon filing of the order with the Registrar of Companies. Pursuant to the Scheme, all the assets, liabilities, income and expenses of the marine business undertaking stand transferred to TAHSPL with the appointed date. Accordingly, the necessary effect has been given in the financials for the year ended on March 31, 2018.

42 Impairment testing of Goodwill

Goodwill acquired through acquisitions and business combination pertains to following Cash Generating Units (CGUs)

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
The Dhamra Port Company Limited	**25,593.1**	25,593.1
Adani Kandla Bulk Terminal Private Limited	**0.6**	0.6
Abbot Point Bulkcoal Pty Limited	**19.8**	20.2
The Adani Harbour Services Private Limited	**205.3**	205.3
Adani Petronet (Dahej) Port Private Limited	**2.2**	2.2
Adani Logistics Limited	**27.1**	27.1
Adinath Polyfills Private Limited	**374.2**	374.2
Marine Infrastructure Developer Private Limited (refer note 37)	**1,432.6**	-
Adani Agri Logistics Companies (refer note 37)	**4,558.4**	-
Dermot Infracon Private Limited	**0.2**	-
Adani Petroleum Terminal Private Limited	**17.2**	-
Goodwill relating to Merger of Adani Port Limited	**448.6**	448.6
Total	**32,679.3**	26,671.3

Notes:

The goodwill is tested for impairment annually and as at March 31, 2019, the goodwill was not impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money. The growth rates are based on management's forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its forecasts based on the most recent financial budgets approved by management with projected revenue growth rates ranging from 6% to 20%.

The rates used to discount the forecasts is 9% to 11%.p.a.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

43 Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III the Companies Act, 2013 for the year ended March 31, 2019. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

₹ in Million

Sr. No.	Particulars	March 31, 2019	March 31, 2018
a	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	20.7	0.9
	Interest	Nil	Nil
b	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
d	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
e	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 MSMED Act 2006.	Nil	Nil

44 Standards issued but not effective:

Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified IndAS 116, Leases. IndAS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and require sales see to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under IndAS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS116, the Group is proposing to use the 'Modified Retrospective Approach' for transitioning to IndAS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:-

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 if any without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

45 Events occurred after the Balance Sheet Date

(1) Under APSEZ dividend policy, a percentage of profit are paid out as dividend. As part of the policy, this year APSEZ will be paying a combination of dividend and buy-back of shares to the shareholders, which will be announced by 4th June, 2019. This amount (Dividend + Share buy-back) is expected to exceed the regular dividend pay-out

(2) Adani Total Private Limited (Formerly known as "Adani Petroleum Terminal Private Limited"), step down subsidiary of the Company has became a jointly controlled entity through equity investment of ₹ 4,545.0 Million made by Total Holdings SAS on May 03, 2019.

(3) Adani Logistics Limited has entered into share purchase agreement on April 22, 2019 with Welspun Steel Limited and MGN Agro Properties Private Limited for acquisition of 100% equity stake (5,01,10,000 equity shares of ₹ 10 each) of Welspun Orissa Steel Private Limited at a consideration of ₹ 2,350.0 Million.

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Rajesh S. Adani
[Director]
DIN : 00006322

Karan Adani
[Wholetime Director and CEO]
DIN : 03088095

Deepak Maheshwari
[Chief Financial Officer]

Kamlesh Bhagia
[Company Secretary]

Place : Ahmedabad
Date: May 27, 2019

INDEPENDENT AUDITOR'S REPORT
To The Members of Adani Ports and Special Economic Zone Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Adani Ports and Special Economic Zone Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its associate and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated 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, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group and its associate and joint ventures 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 consolidated 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 and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to:

(i) Note 41 to the consolidated financial statement, regarding the management's impairment assessment of property, plant and equipment of ₹ 120.7 Million and intangible assets of ₹ 11,094.9 Million, as at 31 March 2020 being considered recoverable based on the future operational plans and cash flows 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, in case of Adani Murmugao

Port Terminal Private Limited and Adani Kandla Bulk Terminal Private Limited and also considering the expected relaxation to be received for revenue share regarding the storage charge in case of Adani Murmugao Port Terminal Private Limited. Accordingly, for the reasons stated therein in the said Note, no provision towards impairment is considered necessary at this stage.

(ii) Note 47 of the consolidated financial statements wherein in case of Adani Vizhinjam Port Private Limited, a matter relating to delay in compliance of Commercial Operational Date (COD) in terms of the Concession Agreement for the development of international deep-water multipurpose seaport at Vizhinjam, Kerala and status thereof as at reporting date, detailed in the said note.

Our report is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Property, plant and Equipment & Intangible assets for Service Concession Arrangement — Refer to Note 41 to the consolidated financial statements

Key Audit Matter Description

The Group has entered into Service Concession Arrangement ("SCAs") for its port facilities at Kandla and Goa. The cost of infrastructure facilities forming part of the SCAs are classified as Intangible assets along with certain tangible assets. As of March 31, 2020, the aggregate carrying value of these assets is ₹ 11,215.6 Million.

The Group's evaluation of impairment of these assets involves the comparison of recoverable value of each cash-generating unit to its corresponding carrying value. The Group used the discounted cash flow model to estimate recoverable value, which requires management to make significant estimates and assumptions related to forecasts of future revenues and operating margins, and discount rates. Changes in these assumptions could have a significant impact on either the recoverable value, the amount of any impairment charge, or both.

We focused on this area as Key Audit Matter due to the size/materiality of the balance of assets under the SCA and because the Group's assessment of the 'recoverable value' of the cash generating unit involves judgements about the future results of the business and the discount rates applied to future cash flow forecasts.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to forecasts of future revenue and operating margin and selection of the discount rate for these SCAs included the following, among others:

- We tested the Design, Implementation and Operating effectiveness of controls over impairment assessment process, including those over the forecasts of future revenue and operating margin, and the selection of the discount rate.
- We evaluated the reasonableness of management's revenue and operating margin forecasts by comparing the forecasts to:
    - Historical revenues and operating margins.
    - Internal communications to management, Audit Committee and the Board of Directors.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rate by:
    - Testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation.
    - Developing a range of independent estimates and comparing those to the discount rate selected by management.
- Performed a sensitivity analysis to determine the effect of variations in the cash flow estimates.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report of even date and annexures thereof, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and its joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to subsidiaries and its joint ventures, is traced from their financial statements audited by the other auditors.

- 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 Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of

Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint ventures 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group (and of its associate and joint ventures) are responsible for assessing the ability of the Group (and of its associate and joint ventures) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Parent 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 ability of the Group and its associate and joint ventures 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 consolidated 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 Group and its associate and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 58 subsidiaries, whose financial statements reflect total assets of ₹ 204,841.8 Million as at March 31, 2020, total revenues of ₹ 46,972.5 Million and net cash inflows amounting to ₹ 9,956.9 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 1,385.3 Million for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors

whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 4.7 Million as at March 31, 2020, total revenues of ₹ Nil and net cash inflows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated 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 of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies, and joint venture companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, its associate and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate and joint ventures;

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, its associate and joint venture companies incorporated in India.

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

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN No: 20106189AAAACR2682)

Place: Ahmedabad
Date: May 05, 2020

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **Adani Ports and Special Economic Zone Limited** (hereinafter referred to as "Parent"), its subsidiary companies, its associate and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls
The respective Board of Directors of the Parent, its subsidiary companies, its associate and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate and its joint ventures, which are companies incorporated in India, 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 and the audit evidence obtained by other auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate and its joint ventures, which are companies incorporated in India.

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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters
Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 50 subsidiary companies and two joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN No: 20106189AAAACR2682)

Place: Ahmedabad
Date: May 05, 2020

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Balance Sheet as at March 31, 2020

₹ in Million

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3 (a)	**257,449.2**	227,809.3
Right-of-Use Assets	3 (b)	**17,429.6**	-
Capital Work-in-Progress		**32,163.3**	44,834.8
Goodwill	3 (d)	**32,862.5**	32,679.3
Other Intangible Assets	3 (c)	**19,403.8**	20,725.6
Investments accounted using Equity Method	4 (a)	**8,260.1**	30.0
Financial Assets			
Investments	4 (b)	**3,401.0**	2,654.9
Loans to Joint Venture Entities	6	**12,643.7**	12,195.4
Other Financial Assets	7	**50,591.6**	43,467.3
Deferred Tax Assets (net)	26	**12,096.2**	10,283.8
Other Non-Current Assets	8	**27,536.6**	24,282.8
		473,837.6	418,963.2
Current Assets			
Inventories	9	**2,882.8**	8,066.8
Financial Assets			
Investments	10	**118.9**	5,138.1
Trade Receivables	5	**25,890.9**	24,319.1
Customers' Bills Discounted	5	**6,130.5**	3,577.5
Cash and Cash Equivalents	11	**71,954.6**	47,981.9
Bank Balances other than above	11	**1,184.0**	11,691.1
Loans	6	**17,848.8**	12,781.1
Loans to Joint Venture Entities	6	**680.0**	2,695.0
Other Financial Assets	7	**9,866.9**	21,532.0
Other Current Assets	8	**11,641.7**	8,528.8
		148,199.1	146,311.4
Total Assets		**622,036.7**	565,274.6
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	**4,063.5**	4,141.9
Other Equity	13	**252,171.4**	241,240.1
Total Equity attributable to Equity holders of the parent		**256,234.9**	245,382.0
Non-Controlling Interests		**2,195.9**	2,099.4
Total Equity		**258,430.8**	247,481.4
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	**261,813.3**	198,833.2
Other Financial Liabilities	15	**7,343.3**	1,660.5
Provisions	19	**82.3**	39.0
Deferred Tax Liabilities (net)	26	**2,869.7**	2,160.3
Other Non-Current Liabilities	16	**14,532.6**	11,583.3
		286,641.2	214,276.3
Current Liabilities			
Financial Liabilities			
Borrowings	17	**15,441.2**	61,881.2
Customers' Bills Discounted	17	**6,130.5**	3,577.5
Trade and Other Payables	18		
- total outstanding dues of micro enterprises and small enterprises		**19.6**	20.7
- total outstanding dues of creditors other than micro enterprises and small enterprises		**7,267.8**	5,700.0
Other Financial Liabilities	15	**33,361.4**	25,416.7
Other Current Liabilities	16	**13,466.6**	5,642.7
Provisions	19	**1,063.0**	992.5
Current Tax Liabilities (net)	26	**214.6**	285.6
		76,964.7	103,516.9
Total Liabilities		**363,605.9**	317,793.2
Total Equity and Liabilities		**622,036.7**	565,274.6

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date: May 05, 2020

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director
DIN : 00006273

Rajesh S. Adani
Director
DIN : 00006322

Karan Adani
Wholetime Director and CEO
DIN : 03088095

Deepak Maheshwari
Chief Financial Officer
Place:- Mumbai

Place : Ahmedabad
Date: May 05, 2020

Kamlesh Bhagia
Company Secretary

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2020

₹ in Million

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from Operations	20	**114,387.7**	109,254.4
Gain arising from infrastructure development at Dhamra LNG terminal	42	**4,343.0**	-
Other Income	21	**18,613.5**	13,623.4
Total Income		**137,344.2**	122,877.8
Expenses			
Operating Expenses	22	**30,972.6**	27,608.0
Employee Benefits Expense	23	**5,465.2**	5,298.1
Finance Costs	24		
Interest and Bank Charges		**19,506.4**	14,283.0
Derivative (Gain) (net)		**(1,375.0)**	(431.1)
Depreciation and Amortisation Expense	3	**16,802.8**	13,734.8
Foreign Exchange Loss (net)		**16,263.8**	4,759.2
Other Expenses	25	**6,639.0**	5,673.5
Total Expenses		**94,274.8**	70,925.5
Profit before share of loss from Joint Venture Entities, exceptional items and tax		**43,069.4**	51,952.3
Share of loss from Joint Venture Entities		**(43.9)**	(0.6)
Profit before exceptional items and tax		**43,025.5**	**51,951.7**
Exceptional items	39 & 40	**(586.3)**	(689.5)
Profit before tax		**42,439.2**	**51,262.2**
Tax expense:	26		
Current tax		**7,074.9**	10,576.0
Deferred tax		**(1,446.0)**	2,193.1
Less: Tax (credit) under Minimum Alternate Tax (MAT)		**(1,035.0)**	(1,954.4)
Total tax expense		**4,593.9**	10,814.7
Profit for the Year	(A)	**37,845.3**	**40,447.5**
Attributable to:			
Equity holders of the parent		**37,631.3**	39,902.2
Non-controlling interests		**214.0**	545.3
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement losses on defined benefit plans		**(29.0)**	(25.5)
Income tax impact		**4.4**	3.2
		(24.6)	(22.3)
Net Gains on FVTOCI Equity Investments		**132.7**	232.5
Income tax impact		**(27.6)**	(54.1)
		105.1	178.4
Items that will be reclassified to profit or loss in subsequent periods			
Share in other comprehensive income of joint venture (net of tax)		**(121.2)**	-
Exchange difference on translation of foreign operations		**406.9**	(2.0)
		285.7	(2.0)
Total Other Comprehensive Income for the year (net of tax)	(B)	**366.2**	154.1
Attributable to:			
Equity holders of the parent		**370.6**	158.5
Non-controlling interests		**(4.4)**	(4.4)
Total Comprehensive income for the year (net of tax)	(A)+(B)	**38,211.5**	40,601.6
Attributable to:			
Equity holders of the parent		**38,001.9**	40,060.7
Non-controlling interests		**209.6**	540.9
Earnings per Share - (Face value of ₹ 2 each) Basic and Diluted (in ₹)	27	**18.35**	19.27

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date: May 05, 2020

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director
DIN : 00006273

Rajesh S. Adani
Director
DIN : 00006322

Karan Adani
Wholetime Director and CEO
DIN : 03088095

Deepak Maheshwari
Chief Financial Officer
Place:- Mumbai

Place : Ahmedabad
Date: May 05, 2020

Kamlesh Bhagia
Company Secretary

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

₹ In Million

Particulars	Attributable to equity holders of the parent											Non-controlling interest	Total equity
	Equity share capital	Other Equity									Total		
		Equity Component of Non Cumulative Redeemable Preference shares	Reserves and Surplus						Other Comprehensive Income				
			Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Debenture Redemption Reserve	Tonnage Tax Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Equity instrument through OCI			
Balance as at April 1, 2018	**4,141.9**	**1,658.8**	**25,517.2**	**(371.3)**	**6,617.1**	**3,195.0**	**22,608.7**	**145,820.0**	**(0.1)**	**1,501.0**	**210,688.3**	**1,495.6**	**212,183.9**
Profit for the year	-	-	-	-	-	-	-	39,902.2	-	-	39,902.2	545.3	40,447.5
Other Comprehensive Income													
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	-	(22.3)	-	-	(22.3)	-	(22.3)
Net Gains on FVTOCI Equity Investments (net of tax)	-	-	-	-	-	-	-	-	-	182.8	182.8	(4.4)	178.4
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(2.0)	-	(2.0)	-	(2.0)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,879.9**	**(2.0)**	**182.8**	**40,060.7**	**540.9**	**40,601.6**
Dividend on shares	-	-	-	-	-	-	-	(4,141.9)	-	-	(4,141.9)	-	(4,141.9)
Dividend distribution tax (DDT)	-	-	-	-	-	-	-	(856.4)	-	-	(856.4)	-	(856.4)
Dividend to Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	(54.2)	(54.2)
Foreign exchange gain /(loss) during the year	-	-	-	(1,534.7)	-	-	-	-	-	-	(1,534.7)	-	(1,534.7)
Amortised in consolidated statement of profit and loss	-	-	-	1,195.3	-	-	-	-	-	-	1,195.3	-	1,195.3
Transfer to General Reserve	-	-	-	-	(3,150.0)	-	3,150.0	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	(33.4)	-	-	(33.4)	-	(33.4)
increase in Non-controlling Interests on account of acquisition	-	-	-	-	-	-	-	-	-	-	-	119.7	119.7
Gain on increase in non controlling interest	-	-	-	-	-	-	-	4.1	-	-	4.1	(4.1)	-
Increase in share capital of non controlling interest	-	-	-	-	-	-	-	-	-	-	-	1.5	1.5
Transfer to Debenture Redemption Reserve	-	-	-	-	1,673.3	-	-	(1,673.3)	-	-	-	-	-
Transfer from/to Tonnage Tax Reserve	-	-	-	-	-	2,103.2	-	(2,103.2)	-	-	-	-	-
Balance as at March 31, 2019	**4,141.9**	**1,658.8**	**25,517.2**	**(710.7)**	**5,140.4**	**5,298.2**	**25,758.7**	**176,895.8**	**(2.1)**	**1,683.8**	**245,382.0**	**2,099.4**	**247,481.4**

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

₹ In Million

Particulars	Attributable to equity holders of the parent													Non-controlling interest	Total equity
	Equity share capital	Other Equity											Total		
		Equity Component of Non Cumulative Redeemable Preference shares	Reserve & Surplus							Other Comprehensive Income					
			Securities Premium	Foreign Currency Monetary item Translation Difference	Debenture Redemption Reserve	Tonnage Tax Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve	Equity instrument through OCI			
Balance as at April 01, 2019	**4,141.9**	**1,658.8**	**25,517.2**	**(710.7)**	**5,140.4**	**5,298.2**	**-**	**25,758.7**	**176,895.8**	**(2.1)**	**-**	**1,683.8**	**245,382.0**	**2,099.4**	**247,481.4**
Profit for the year	-	-	-	-	-	-	-	-	37,631.3	-	-	-	37,631.3	214.0	37,845.3
Other Comprehensive Income															
Re-measurement losses on defined benefit plans (net of tax)	-	-	-	-	-	-	-	-	(24.6)	-	-	-	(24.6)	-	(24.6)
Net Gains on FVTOCI Equity Investments (net of tax)	-	-	-	-	-	-	-	-	-	-	-	109.5	109.5	(4.4)	105.1
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge	-	-	-	-	-	-	-	-	-	-	(101.1)	-	(101.1)	-	(101.1)
Reversal due to dilution of stake in subsidiary	-	-	-	-	-	-	-	-	-	-	101.1	-	101.1	-	101.1
Share in other comprehensive income of joint venture	-	-	-	-	-	-	-	-	-	-	(121.2)	-	(121.2)	-	(121.2)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	-	406.9	-	-	406.9	-	406.9
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**37,606.7**	**406.9**	**(121.2)**	**109.5**	**38,001.9**	**209.6**	**38,211.5**
Dividend on shares	-	-	-	-	-	-	-	-	(6,915.8)	-	-	-	(6,915.8)	-	(6,915.8)
Dividend distribution tax (DDT)	-	-	-	-	-	-	-	-	(1,428.4)	-	-	-	(1,428.4)	-	(1,428.4)
Dividend to Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(108.5)	(108.5)
Foreign exchange gain/(loss) during the year	-	-	-	(167.9)	-	-	-	-	-	-	-	-	(167.9)	-	(167.9)
Amortised in consolidated statement of profit and loss	-	-	-	878.6	-	-	-	-	-	-	-	-	878.6	-	878.6
Transfer to General Reserve	-	-	-	-	(1,624.9)	-	-	1,624.9	-	-	-	-	-	-	-
Non Controlling Interest Adjustment on Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.6)	(4.6)
Buyback of equity shares (refer note 12 (a)(ii))	(78.4)	-	(19,521.6)	-	-	-	-	-	-	-	-	-	(19,600.0)	-	(19,600.0)
Transaction costs for buyback	-	-	-	-	-	-	-	(107.2)	-	-	-	-	(107.2)	-	(107.2)
Transfer to Debenture Redemption Reserve	-	-	-	-	1,256.5	-	-	-	(1,256.5)	-	-	-	-	-	-
Transfer to Capital Redemption Reserve upon buyback (refer note 13)	-	-	-	-	-	-	78.4	(78.4)	-	-	-	-	-	-	-
Gain on Pre-mature redemption of preference share	-	-	-	-	-	-	-	-	185.2	-	-	-	185.2	-	185.2
Pre-mature redemption of Preference Share (refer note 12 (b) (iii))	-	(141.7)	-	-	-	-	-	-	-	-	-	-	(141.7)	-	(141.7)
Impact due to remeasurement of Deferred Tax (refer note 12 (b) (ii))	-	148.2	-	-	-	-	-	-	-	-	-	-	148.2	-	148.2
Transfer from/to Tonnage Tax Reserve	-	-	-	-	-	2,165.3	-	-	(2,165.3)	-	-	-	-	-	-
Balance as at March 31, 2020	**4,063.5**	**1,665.3**	**5,995.6**	**-**	**4,772.0**	**7,463.5**	**78.4**	**27,198.0**	**202,921.7**	**404.8**	**(121.2)**	**1,793.3**	**256,234.9**	**2,195.9**	**258,430.8**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : May 05, 2020

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director
DIN : 00006273

Place : Ahmedabad
Date : May 05, 2020

Rajesh S. Adani
Director
DIN : 00006322

Karan Adani
Wholetime Director and CEO
DIN : 03088095

Deepak Maheshwari
Chief Financial Officer
Place:- Mumbai

Kamlesh Bhagia
Company Secretary

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Statement of Cash Flows for the year ended March 31, 2020

adani Ports and Logistics

₹ In Million

	Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
A	**Cash Flows from Operating Activities**		
	Net profit before Tax	**42,439.2**	51,262.2
	Adjustments for :		
	Share of Loss of Joint Venture Entities	**43.9**	0.6
	Depreciation and Amortisation Expense	**16,802.8**	13,734.8
	Unclaimed Liabilities / Excess Provision Written Back	**(18.4)**	(189.7)
	Cost of Assets transferred under Finance Lease	**198.0**	341.5
	Recognition of Deferred Income under Long Term Land Lease / Infrastructure Usage Agreements	**(718.0)**	(625.6)
	Financial Guarantees Income	**(15.2)**	(58.7)
	Amortisation of Government Grant	**(124.8)**	(114.5)
	Finance Cost	**19,506.4**	14,283.0
	Effect of Exchange Rate Change	**17,097.3**	4,473.0
	Gain on account of dilution of stake in Subsidiary	**(4,805.7)**	(5.0)
	Derivative Gain (net)	**(1,375.0)**	(431.1)
	Provision of Doubtful Debts	**194.7**	241.5
	Interest Income	**(16,697.4)**	(12,201.9)
	Dividend Income	**(80.0)**	(70.0)
	Net Gain on Sale of Current Investments	**(487.0)**	(430.2)
	Provision for Royalty on storage (refer note 40 (b))	**586.3**	-
	Reversal for Impairment (refer note 40 (a))	**-**	(529.5)
	De-recognition of accrued revenue (refer note 39)	**-**	1,219.0
	Diminution in value of Inventories	**1.6**	26.4
	Amortisation of fair valuation adjustment on Security Deposit	**17.2**	74.9
	Loss on Sale / Discard of Property, Plant and Equipment (net)	**38.6**	41.4
	Operating Profit before Working Capital Changes	**72,604.5**	71,042.1
	Adjustments for :		
	(Increase)/'Decrease in Trade Receivables	**(1,756.6)**	12,642.6
	(Increase) in Inventories	**(446.5)**	(2,569.2)
	Decrease/(Increase) in Financial Assets	**5,125.6**	(9,611.7)
	(Increase) in Other Assets	**(6,129.4)**	(3,189.8)
	Increase/(Decrease) in Provisions	**62.8**	(39.3)
	Increase in Trade Payables	**843.4**	795.8
	Increase in Other Financial Liabilities	**763.1**	1,270.2
	Increase in Other Liabilities	**11,446.9**	1,018.4
	Cash Generated from Operations	**82,513.8**	71,359.1
	Direct Taxes paid (Net of Refunds)	**(8,495.7)**	(11,065.1)
	Net Cash generated from Operating Activities	**74,018.1**	60,294.0
B	**Cash Flows from Investing Activities**		
	Purchase of Property, Plant and Equipment (including Capital Work-in-progress, other intangible assets, capital advances and capital creditors)	**(36,214.1)**	(29,404.9)
	Proceeds from Sale of Property, Plant and Equipment	**629.9**	538.3
	Payment of Deposit given against Capital Commitments (net)	**(3,792.5)**	(20,646.1)
	Payment for acquisition of subsidiaries	**(2,734.6)**	(14,781.6)
	Equity investment in Joint Venture entities/Associates	**(1,911.5)**	(30.6)
	Redemption of Non Convertible Redeemable Debentures	**-**	3,170.0
	Proceeds from sale of investment	**784.7**	-
	Investment in Preference share in Joint Venture entities	**(2,893.6)**	-
	Loans given	**(375,320.3)**	(193,062.2)
	Loans received back	**377,946.2**	192,663.1
	Proceeds from Fixed Deposits (net) including Margin Money Deposits	**10,647.4**	10,055.4
	Proceeds from sale/Purchase of Investments in Mutual Fund (net)	**580.5**	173.4
	Sale of Investments in short term Debentures and Commercial Papers (net)	**4,920.0**	480.0
	Dividend Received	**80.0**	70.0
	Interest Received	**19,773.7**	6,533.7
	Net Cash used in Investing Activities	**(7,504.2)**	(44,241.5)

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Consolidated Statement of Cash Flows for the year ended March 31, 2020

₹ In Million

	Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
C	**Cash Flows from Financing Activities**		
	Proceeds from Non-Current Borrowings	**121,991.2**	1,546.3
	Repayment of Non-Current Borrowings	**(70,633.9)**	(18,099.9)
	Proceeds from Current Borrowings	**36,495.0**	23,821.6
	Repayment of Current Borrowings	**(46,085.9)**	(9,377.2)
	Net movement in Other Current Borrowings (maturity period less than 3 months)	**(37,751.2)**	45,186.6
	Interest & Finance Charges Paid	**(19,238.7)**	(14,717.2)
	Repayment of Lease Liabilities	**(134.2)**	-
	Payment on Buy-back of Equity Shares	**(19,600.0)**	-
	Transaction costs for buy-back of Equity shares	**(107.2)**	-
	Payment on redemption of Preference shares (refer note 12 (b)(iii))	**(124.0)**	-
	Gain/(Loss) on settlement of Derivative Contracts	**1,078.8**	(176.3)
	Payment of Dividend on Equity and Preference Shares	**(6,999.3)**	(4,184.8)
	Payment of Dividend Distribution Tax	**(1,446.9)**	(865.7)
	Net Cash (used in)/generated from Financing Activities	**(42,556.3)**	23,133.4
D	**Net increase in Cash and Cash Equivalents (A+B+C)**	**23,957.6**	39,185.9
E	**Cash and Cash Equivalents at the Beginning of the year (refer note 11)**	**47,981.9**	8,234.8
F	**Cash and Cash Equivalents on acquisition of subsidiary (refer note 37)**	**26.3**	914.4
G	**Reduction in Cash and Cash Equivalents on account of loss of control of subsidiaries.**	**(11.2)**	(353.2)
H	**Cash and Cash Equivalents at the End of the year (refer note 11)**	**71,954.6**	47,981.9
	Components of Cash & Cash Equivalents		
	Cash on Hand	**2.4**	2.3
	Balances with Scheduled Banks		
	- In Current Accounts	**71,508.4**	46,128.9
	- In Fixed Deposit Accounts	**443.8**	1,850.7
		-	-
	Cash and Cash Equivalents at the end of the year	**71,954.6**	47,981.9

Summary of significant accounting policies refer note 2.3

Notes:

1 The Consolidated 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 Standards) Rules, 2015 (as amended).

2 Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 – Statement of Cash flows is presented under note 15(b).

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date: May 05, 2020

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and
Managing Director
DIN : 00006273

Rajesh S. Adani
Director
DIN : 00006322

Karan Adani
Wholetime Director
and CEO
DIN : 03088095

Deepak Maheshwari
Chief Financial
Officer
Place:- Mumbai

Place: Ahmedabad
Date: May 05, 2020

Kamlesh Bhagia
Company Secretary

1 Corporate information

The Consolidated financial statements comprise financial statements of Adani Ports and Special Economic Zone Limited ("the Company" or "APSEZL") , its joint venture entities and subsidiaries (collectively, the "Group") for the year ended March 31, 2020. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad, Gujarat, India - 380009.

The Group has port infrastructure facilities at Mundra, Kandla, Hazira, Dahej, Dhamra, Vizag, Murmugao, Kattupalli, Ennore locations developed pursuant to the respective concession/sub concession agreements apart from other businesses. The Group is also developing port infrastructure at Vizhinjam and Myanmar.

The Company is in the business of development, operations and maintenance of port infrastructure (port services and related infrastructure development) and has linked multi product Special Economic Zone (SEZ) and related infrastructure contiguous to Port at Mundra. The initial port infrastructure facilities at Mundra including expansion thereof through development of additional port terminals and south port terminal infrastructure facilities are developed pursuant to the concession agreement with Government of Gujarat (GoG) and Gujarat Maritime Board (GMB) for 30 years period effective from February 17, 2001. At Mundra, the Company has expanded port infrastructure facilities through approved supplementary concession agreement (pending to be concluded) which will be effective till the year 2040, whereby port infrastructure has been developed at Wandh in Mundra to handle coal cargo. The said agreement is in the process of getting signed with GoG and GMB although Coal terminal at Wandh is recognised as commercially operational w.e.f. February 01, 2011.

The first Container terminal facilities (CT-1) developed at Mundra, was transferred under sub-concession agreement entered into on January 7, 2003 between Mundra International Container Terminal Limited ("MICTL") and the Company wherein the Company has given rights to MICTL to handle the container cargo for a period of 28 years i.e. up to February 17, 2031. The container terminal facilities developed at South Port location (CT-3) has been leased under approved sub-concession agreement dated October 17, 2011 to (50:50) joint venture company, Adani International Container Terminal Private Limited ("AICTPL"), co-terminate with main concession agreement with GMB. During the financial year 2017-18, the Company has entered into an arrangement with the Adani International Container Terminal Private Limited ("AICTPL"), a Joint Venture, to sub lease new terminal CT-3 Extension besides CT-3. The said terminal commenced operations w.e.f. November 01, 2017. The said sub-concession agreement is pending to be concluded with GOG and GMB. Another container terminal facilities developed at South Port location (CT-4) has been leased to (50:50) joint venture company, Adani CMA Mundra Terminal Private Limited ("ACMTPL") (joint venture arrangement with CMA Terminals, France since July 30, 2014). The execution of sub-concession agreement between the Company, ACMTPL and GMB is pending as on date.

The Multi Product Special Economic Zone developed at Mundra by the Company along with port infrastructure facilities is approved by the Government of India vide their letter no. F-2/11/2003/EPZ dated April 12, 2006 and subsequently amended from time to time till date. The Company has also set up Free Trade and Warehousing Zone at Mundra based on approval of Ministry of Commerce and Industry vide letter no.F.1/16/2011-SEZ dated January 04, 2012. The Company has also set up additional Multi Product Special Economic Zone at Mundra Taluka over an area of 1,856 hectares as per approval from Ministry of Commerce and Industry vide approval letter dated April 24, 2015. The Company has received single notification consolidating all three notified SEZ in Mundra vide letter dated March 15, 2016 of Ministry of Commerce and Industry, Department of Commerce (SEZ Section).

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 05, 2020.

The subsidiary entities considered for consolidation and their nature of operations are as follows:

i) Adani Logistics Limited ("ALL"), a 100% subsidiary of APSEZL, has developed multi-model cargo storage-cum-logistics services through development of Inland Container Depots (ICDs) and Container Freight Stations (CFSs) at various strategic locations and operates container trains on specific railway routes as per concession agreement entered into with Ministry of Railways, Government of India.

ii) MPSEZ Utilities Private Limited ("MUPL"), is a 100% subsidiary of APSEZL, has developed infrastructure including operation, development, maintenance, improvement and extension of utility services (including power distribution) at Mundra Special Economic Zone in Kutch district, Gujarat.

iii) Mundra SEZ Textile and Apparel Park Private Limited ("MITAP"), a 49.88% subsidiary of APSEZL and 5.40% investment held through ALL (a 100% subsidiary of APSEZL), has set up an integrated textile park under the scheme of Ministry of Textiles, Government of India in Special Economic Zone at Mundra, Kutch district, Gujarat.

iv) Karnavati Aviation Private Limited ("KAPL"), a 100% subsidiary of APSEZL, is engaged in providing non scheduled (passenger) airline services through its aircrafts.

v) Adani Petronet (Dahej) Port Private Limited ("APDPPL"), a 74% subsidiary of APSEZL, has developed a Solid Cargo Port Terminal and related port infrastructure facilities of bulk cargo at Dahej, Gujarat.

vi) Adani Murmugao Port Terminal Private Limited ("AMPTPL"), a 100% subsidiary of APSEZL, has developed port infrastructure facilities i.e. coal handling terminal at Murmugao, Goa.

vii) Mundra International Airport Private Limited ("MIAPL"), a 100% subsidiary of APSEZL, has plan to set up air cargo operations at Kawai, Rajasthan.

viii) Adani Hazira Port Private Limited ("AHPPL"), a 100% subsidiary of APSEZL, has developed multi – cargo terminal and related infrastructure at Hazira - Surat (Gujarat). The further expansion of port facilities is under development.

ix) Hazira Infrastructure Private Limited ("HIPL"), a step down subsidiary of APSEZL, a 100% subsidiary of Adani Hazira Port Private Limited has plans to develop and construct rail corridor between Surat and Hazira along with related infrastructure subject to approval by Railway Board and Government of Gujarat.

x) Madurai Infrastructure Private Limited ("MIPL") (formerly known as Mundra LPG Infrastructure Private Limited) is a 100% subsidiary of APSEZL.

xi) Adinath Polyfills Private Limited ("APPL") a 100% subsidiary of APSEZL and was strategically acquired to enhance the port business.

xii) Adani Vizag Coal Terminal Private Limited ("AVCTPL") is a 100% subsidiary of APSEZL. The Company has developed Port infrastructure facilities at East Quay for handling steam coal at Visakhapatnam Port.

xiii) Adani Kandla Bulk Terminal Private Limited ("AKBTPL") is a 100% subsidiary of APSEZL. The Company has developed a Dry Bulk terminal off Tekra near Tuna outside Kandla creek at Kandla Port.

xiv) Adani Warehousing Services Private Limited ("AWSPL") is a 100% subsidiary of APSEZL. The Company is formed to provide warehousing / storage facilities and other related services.

xv) Adani Ennore Container Terminal Private Limited ("AECTPL") is a 100% subsidiary of APSEZL. The Company has developed container terminal and other related infrastructure at Ennore Port.

xvi) Adani Hospitals Mundra Private Limited ("AHMPL") is a 100% subsidiary of APSEZL. The Company provides hospital and related services at Mundra.

xvii) The Dhamra Port Company Limited ("DPCL"), is a 100% subsidiary of APSEZL and is operating bulk cargo port infrastructure facilities at Dhamra in the state of Odisha.

xviii) Shanti Sagar International Dredging Private Limited ("SSIDPL") is a 100% subsidiary of APSEZL. The Company is providing dredging services.

xix) The Adani Harbour Services Private Limited ("TAHSPL") is a 100% subsidiary of APSEZL. Previously, the company was known as TM Harbour Services Private Limited. The principal activity of TAHSPL is to own and operate harbour tugs, barges, other port crafts, ocean towage and offshore support vessels and to provide marine services like pilotage, laying and maintenance of buoys including SBMs, mooring of vessels at berth and mid-stream.

xx) Adani Vizhinjam Port Private Limited ("AVPPL"), a 100% subsidiary of APSEZL, is developing container terminal port and other related infrastructure at Vizhinjam.

xxi) Adani Kattupalli Port Private Limited ("AKPPL"), a 100% subsidiary of APSEZL is engaged in the business of Container Freight Station at Kattupalli Port, Tamil Nadu.

xxii) Adani Dhamra LPG Terminal Private Limited ("ADLTPL") was a step down subsidiary of APSEZL till December 28, 2018.

xxiii) Mundra LPG Terminal Private Limited ("MLTPL") was a step down subsidiary of APSEZL till December 28, 2018.

xxiv) Dholera Infrastructure Private Limited ("DIPL"), an entity in which APSEZL holds 49% of equity, was incorporated with the main object of developing, maintaining and operating infrastructure facilities. The company through its subsidiary is in the process of developing port and infrastructure facilities. Under Ind AS 110 , it has been evaluated that APSEZL has defacto control over DIPL and accordingly is considered as subsidiary for consolidation purpose. (refer note 2.4(A)(i))

xxv) Dholera Port And Special Economic Zone Limited ("DPSEZL"), a 100% subsidiary of Dholera Infrastructure Private Limited was incorporated on August 31, 1998 under the provisions of Companies Act, 1956. The Company was in the process of developing a port at Dholera.

xxvi) Abbot Point Operations Pty Limited ("APO") is a 100% subsidiary of the Company and engaged in the business of Port Operations.

xxvii) Abbot Point Bulkcoal Pty Limited ("APB") has become a wholly owned subsidiary of Abbot Point Operations Pty Limited and step down subsidiary of APSEZL.

xxviii) Mundra International Gateway Terminal Private Limited ("MIGTPL") has been incorporated as wholly owned subsidiary of the Company.

xxix) Adani International Terminals Pte Limited ("AITPL") has been incorporated as wholly owned subsidiary of the Company.

xxx) Blue Star Realtors Private Limited has become wholly owned subsidiary of Adani Logistics Limited (the subsidiary company of APSEZL) w.e.f. April 26, 2018.

xxxi) Adani Bhavanapadu Port Private Limited ("ABPPL") has been incorporated as wholly owned subsidiary of the Company on May 21, 2018.

xxxii) Marine Infrastructure Developer Private Limited has become subsidiary of APSEZL w.e.f. June 28, 2018 with 97% equity stake and is engaged in the business of Port Operations at Kattupalli Port.

xxxiii) Adani Mundra Port Holding Pte. Limited ("AMPHPL") has been incorporated as wholly owned subsidiary of the Company on October 30, 2018.

xxxiv) Adani Mundra Port Pte. Limited ("AMPPL") has been incorporated as wholly owned subsidiary of Adani Mundra Port Holding Pte. Limited (a subsidiary company of APSEZL) on January 03, 2019.

xxxv) Adani Abbot Port Pte. Limited ("AAPPL") has been incorporated as wholly owned subsidiary of Adani Mundra Port Holding Pte. Limited (a subsidiary company of APSEZL) on January 03, 2019.

xxxvi) Adani Yangon International Terminal Company Limited ("AYITCL") has been incorporated as wholly owned subsidiary of Adani International Terminals Pte Limited (a subsidiary company) on February 22, 2019.

xxxvii) Adani Agri Logistics Limited, Adani Agri Logistics (Dahod) Limited, Adani Agri Logistics (Samastipur) Limited and Adani Agri Logistics (Darbhanga) Limited have become wholly owned subsidiaries of Adani Logistics Limited (the subsidiary company of APSEZL) w.e.f. March 29, 2019 and is engaged in the business of Logistics Operations.
Pursuant to the acquisition of 100% equity stake of Adani Agri Logistics Limited ("AALL"), subsidiary companies of AALL have became step down subsidiary companies of Adani Logistics Limited (the subsidiary company of APSEZL).

xxxviii) Dermot Infracon Private Limited has become wholly owned subsidiary of Adani Logistics Limited (the subsidiary company of APSEZL) w.e.f. March 25, 2019.
xxxix) Adani Tracks Management Services Private Limited has been incorporated as a wholly owned subsidiary of the Company on July 31, 2019.
xl) Dhamra Infrastructure Private Limited (formerly known as Welspun Orissa Steel Private Limited) have become wholly owned subsidiaries of Adani Logistics Limited (the subsidiary company of APSEZL) on April 22, 2019.
xli) Subsidiary company Adani Logistics Limited has acquired 98.29% equity shares of Adani Logistics Services Private Limited ("ALSPL") (formerly known as Innovative B2B Logistics Solutions Private Limited) on August 06, 2019 and is engaged in the business of Logistics Operations.

Pursuant to such acquisition, subsidiary companies of ALSPL have became step down subsidiary companies of Adani Logistics Limited (the subsidiary company of APSEZL).
xlii) Bowen Rail Operations Pte Limited has been incorporated as a wholly owned subsidiary of Adani Mundra Port Holding Pte Limited (subsidiary of the Company) on December 11, 2019.
xliii) Adani Pipelines Private Limited has been incorporated as a wholly owned subsidiary of the Company on December 12, 2019.

xliv) Bowen Rail Company Pty Limited has been incorporated as a wholly owned subsidiary of Bowen Rail Operations Pte Limited (step down subsidiary of the Company) on December 16, 2019.
xlv) Adani Bangladesh Ports Private Limited ("ABPPL") has been incorporated as a wholly owned subsidiary of the Company on February 17, 2020.

2 Basis of preparation

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

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy as mentioned in note 2.3 x) hitherto in use.

The consolidated financial statements have been prepared on a historical basis, except for the following assets and liabilities which have been measured at fair value or revalued amount :-
- Derivative financial instruments
- Defined Benefit Plans - Plan Assets measured at fair value and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

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

2.2 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company, its joint venture entities, associate companies and its subsidiaries as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:-
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:
(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a) Investment in associates and joint venture entities

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but do not control or joint control over those policies.

A joint venture entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control, are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture entities are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture entities is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture entities. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture entities, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture entities are eliminated to the extent of the interest in the joint venture entities.

If an entity's share of losses of a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture entities is shown on the face of the consolidated statement of profit and loss.

The financial statements of the joint venture entities are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture entities. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture entities are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture entities and its carrying value, and then recognises the loss as 'Share of profit of a joint venture entities' in the consolidated statement of profit and loss.
Upon loss of significant influence over associate entity/ joint control over the joint venture entities, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associates entity / joint venture entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

b) Current versus non-current classification

The Group 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 and 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 Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has identified twelve months as its operating cycle.

c) Foreign currency transactions :

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. However, for practical reasons, the Group entities use an average rate if the average approximates the actual rate at the date of transaction. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

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

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

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

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

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

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

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in statement of profit and loss.

d) Fair value measurement

The Group 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 Group.
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 best economic interest.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group 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 Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value and for non recurring fair value measurement, such as an assets under the scheme of business undertaking.

External valuers are involved for valuation of significant assets such as business undertaking for transfer under the scheme and unquoted financial assets and financial liabilities. Involvement of external valuers is decided upon annually by the Management and in specific cases after discussion with and approval by the respective company's Audit Committee. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
-Disclosures for valuation methods, significant estimates and assumptions (refer note 2.4 and 33.2)
-Quantitative disclosures of fair value measurement hierarchy (refer note 33.2)
-Investment in unquoted equity shares (refer note 4)
-Financial instruments (including those carried at amortised cost) (refer note 33.1)

e) Revenue recognition

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

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

Port operation and logistics services

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

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

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

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

Income towards infrastructure premium is recognised as revenue in the year in which the Company provides access to its common infrastructure.

Income from long term leases

As a part of its business activity, the Group leases/ sub-leases land on long term basis to its customers. Leases are classified as finance lease whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease. In some cases, the Company enters into cancellable lease / sub-lease transaction agreement, while in other cases, it enters into non-cancellable lease / sub-lease agreement. The Company recognizes the income based on the principles of leases as set out in relevant accounting standard and accordingly in cases where the land lease / sub-lease agreement are cancellable in nature, the income in the nature of upfront premium received / receivable is recognised on operating lease basis i.e. on a straight line basis over the period of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period and annual lease rentals are recognised on an accrual basis.

In cases where long term land lease / sub-lease transaction agreement are non-cancellable in nature, the income is recognised on finance lease basis i.e. at the inception of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period, the income recognised is equal to the present value of the minimum lease payment over the lease period (including non-refundable upfront premium) which is substantially equal to the fair value of land leased / sub-leased. In respect of land given on finance lease basis, the corresponding cost of the land and development costs incurred are expensed off in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Development of Infrastructure Assets

The Company 's business operations includes construction and development of infrastructure assets. where the outcome of the project cannot be estimated reasonably, Revenue from contracts for such construction and development activities is recognised on completion of relevant activities under the contract and the transfer of control of the infrastructure when all significant risks and rewards of ownership in the infrastructure assets are transferred to the customer.

Non scheduled aircraft services

Revenue from chartered services is recognised when the service is performed under contractual obligations.

Utilities Services

Revenue is recognised as and when the service performed under contractual obligations and the right to receive such income is established. Delayed payment charges are accounted as and when received.

Income from SEIS

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

Revenue recognition from Service Concession arrangements in Agri Logistics Business

Once the infrastructure is in operation, the treatment of income is as follows:

Finance income over financial asset after consideration of fixed storage charges is recognised using effective interest rate method. Variable storage charges revenue is recognised in the period of storage of food grains. Revenues from other variable charges such as loading and unloading charges, bagging charges, stacking charges, etc. as per the rates mentioned in SCA are recognised in each period as and when services are rendered in accordance with "Ind AS 115 - Revenue from Contracts with Customers".

Interest income

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

Dividends

Dividend Income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

f) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised either as a income in equal amounts over the expected useful life of the related asset or by deducting from the carrying amount of the asset.

Royalty on Cargo
Waterfront royalty under the various concession/sub concession agreement is paid at concessional rate in terms of rate prescribed by Gujarat Maritime Board (GMB) and notified in official gazette of various state Government authorities, wherever applicable.

g) 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 recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised 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 recognised for all taxable temporary differences, except:-
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint venture entities, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The Company is eligible and claiming tax deductions available under section 80IAB of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2007-08. Some of the subsidiaries and joint venture entities are also eligible for tax deductions available under section 80IA of the Income Tax Act, 1961 for a period of 10 years out of eligible period of 15 years. In view of the Company and some of the subsidiaries and joint venture entities availing tax deduction under Section 80IA/80IAB of the Income Tax Act, 1961, deferred tax has been recognised in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognised in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group recognizes tax credits in the nature of Minimum Alternative Tax ("MAT") credit as an asset only to the extent that there is sufficient taxable temporary difference/convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognises tax credits as an asset, the said asset is created by way of tax credit to the consolidated statement of profit and loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent the Group does not have sufficient taxable temporary difference/convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

h) Property, plant and equipment (PPE)

Under the previous GAAP (Indian GAAP), Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs (if capitalisation criteria are met) and other cost directly attributable to bringing the asset to its working condition for the intended use. The Group has elected to regard previous GAAP carrying values of property, plant and equipment as deemed cost at the date of transition to Ind AS.

Property, plant and equipment and Capital work-in-progress are stated at cost. Such cost includes the cost of replacing parts 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 Group 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 consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of respective asset if recognition criteria for the provision are met.

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

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

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

The Group has estimated the following useful life to provide depreciation on its certain Property, Plant and Equipment based on assessment made by expert and management estimate.

Assets	**Estimated Useful life**
Leasehold Land Development	Over the balance period of Concession Agreement and approved Supplementary Concession Agreement by Gujarat Maritime Board, other major port trust authorities, State Government authorities etc. as applicable
Marine Structure, Dredged Channel, Building RCC Frame Structure	50 Years as per concession agreement/over the balance period of concession agreement as applicable
Dredging Pipes - Plant and Equipment	1.5 Years
Nylon and Steel coated belt on Conveyor - Plant and Equipment	4 Years and 10 Years respectively
Inner Floating and outer floating hose, String of Single Point Mooring - Plant and Equipment	6 Years
Fender, Buoy installed at Jetty - Marine Structures	5 - 10 Years
Bridges, Drains & Culverts	25 Years as per concession agreement
Carpeted Roads – Other than RCC	10 Years
Non Carpeted Roads – Other than RCC	3 Years
Tugs	20 Years

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

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

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

i) Intangible assets

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

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

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 consolidated statement of profit and loss when the asset is derecognised.

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

Intangible Assets	Method of Amortisation	Estimated Useful life
Software applications	on straight line basis	5 Years based on management estimate
License Fees paid to Ministry of Railway (MOR) for approval for movement of Container Trains	on straight line basis	Over the license period of 20 years
Right to Use of Land	on straight line basis	Over the period of agreement between 10-20 years
Right of use to develop and operate the port facilities	on straight line basis	Over the balance period of Sub-Concession Agreement
Railway License	on straight line basis	35 Years based on validity of license

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

The Group recognises port concession rights as "Port Infrastructure Rights" under "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 Group as part of the service concession arrangement. Such an intangible asset is recognised by the Group 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 Group 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 consolidated statement of profit or loss when the asset is de-recognised.

The estimated period of port concession arrangements are of 30 years.

Service Concession Arrangements ("SCA") in respect of Agri Logistics Business

Certain companies in the Group have entered into service concession agreement with Food Corporation of India (FCI) which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilising private-sector funds and expertise.

With respect to SCA, revenue and costs are allocated between those relating to construction services and those relating to operation and maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the SCA.

When the amount of consideration under the arrangement for the provision of public services is substantially fixed by a contract, the Group recognises the consideration for construction services at its fair value as a financial asset and is classified as "financial asset under service concession arrangements".

When the amount of consideration under the arrangement comprises of -
- fixed charges based on Annual Guaranteed Tonnage and
- variable charges based on Actual Utilisation Tonnage,

then, the Group recognizes the consideration for construction services at its fair value, as the "financial asset under service concession arrangement" to the extent present value of fixed payment to be received discounted at incremental borrowing rate and the residual portion is recognised as an intangible asset.

j) 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.

k) Leases

The Group 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.

Group as a lessee

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

If ownership of the leased asset transfers to the Group 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 (m) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 Group 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.

Group as a lessor

Leases in which the Group 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 Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group'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.

l) Inventories

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

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

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

Costs incurred that relate to future contract activities are recognised as "Project Work-in-Progress".

Project work-in-progress comprise specific contract costs and other directly attributable overheads including borrowing costs which can be allocated on specific contract cost is, valued at lower of cost and net realisable value.

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

m) Impairment of non-financial assets

The Group 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 Group 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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group'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 impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, 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 Group 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 and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at every year end and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

n) Provisions, Contingent Liabilities and Contingent Assets

General

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

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

Operational Claim provisions

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

o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group 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.

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

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

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

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

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Group measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per projected unit credit method.

p) Financial instruments

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

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 with that are attributable to the acquisition of the financial assets.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments and derivative instruments and equity instruments at fair value through Profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

(ii) 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 Group. 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 consolidated statement of profit and loss . The losses arising from impairment are recognised in the consolidated statement of profit and loss except where the Company has given temporary waiver of interest not exceeding 12 months period. This category generally applies to trade/loans and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL.

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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

Perpetual debt

The Company invests in a subordinated perpetual debt, redeemable at the issuer's option, with a fixed coupon that can be deferred indefinitely if the issuer does not pay a dividend on its equity shares. The Company classifies these instruments as equity under Ind AS 32.

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 Group's consolidated balance sheet) when:

-The rights to receive cash flows from the asset

- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment of financial assets

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

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

b) Financial assets that are debt instruments, are measured at fair value through other comprehensive income (FVTOCI)

c) Lease receivables under relevant accounting standard

d) 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 Group 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 relevant accounting standard

Under the simplified approach the Group 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 group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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

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

Financial assets measured at amortised cost, contractual revenue receivables and lease receivables:
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 group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group 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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition 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 Group 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 consolidated statement of profit and 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 profit or loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as FVTPL.

Loans and borrowings
This is the category most relevant to the Group. 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 consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through profit or loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group 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.

q) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through profit 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 classified in the statement of profit and loss and reported with foreign exchange gains/(losses) not within results from operating activities except the effective portion of cash flow hedge. 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 cost.

r) Redeemable preference shares

Redeemable preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

Transaction costs are apportioned between the liability and equity components of the redeemable preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

s) 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 consolidated 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 Group's cash management.

t) Cash dividend to equity holders of the parent

The Company recognises a liability to make cash to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Goodwill on consolidation

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

Goodwill on consolidation arising on acquisitions on or after the date of transition represents the excess of the cost of acquisition at each point of time of making the investment in the subsidiary, over the Group's share in the fair value of the net assets of a subsidiary.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

v) Business Combination

Business Combination have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes fair value of any contingent considerations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at the fair value on the date of acquisition.

Business Combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as legal fees, due diligence fees and other professional consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

w) Earnings per Share

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

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

x) New and amended standards adopted by the Group

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

(i) Ind AS 116 Leases

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

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

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

Nature of the effect of adoption of Ind AS 116

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

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

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

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from April 01, 2019 and accordingly carrying amount of lease assets has been reclassified as RoU assets.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The right-of-use assets were recognised at amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

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

Particulars	Amount (₹ in Million)
Operating lease commitments as at March 31, 2019	6,973.3
Weighted average incremental borrowing rate as at April 01, 2019	8.02%
Discounted operating lease commitments at April 01, 2019	5,026.6
Add:- Commitments relating to leases previously classified as finance leases	552.80
Lease liabilities as at April 01, 2019	**5,579.4**

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

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

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

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

₹ in Million

Particulars	**Amount**
Assets	
Right-of-use assets	6,452.0
Reclassification*	
- From Property, Plant and Equipment and Other Intangibles	(2,951.9)
- To Right-of-use assets	2,951.9
Prepaid Expenses	(1,425.4)
Increase in total assets	**5,026.6**
Liabilities	
Financial Liabilities - Lease Liabilities	5,026.6
Increase in total liabilities	**5,026.6**

* Carrying amount of leases previously classified as finance lease under Ind AS 17 has been reclassified to RoU Assets.

Following is the movement in lease liabilities during the year:

₹ in Million

Particulars	**Lease Liabilities**
As at April 01, 2019	552.8
Addition on account of adoption of Ind AS 116	5,026.6
Addition during the year	618.1
Interest Expenses	403.9
Payments	(538.1)
As at March 31, 2020	**6,063.3**

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

₹ in Million

Particulars	**Year Ended 2019-20**
Depreciation expense of right-of-use assets	960.0
Interest expense on lease liabilities	403.9
Rent expense - short-term leases and leases of low value assets	64.9
Total amounts recognised in profit or loss	**1,428.8**

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

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The standard became effective from April 1, 2019. The Company has adopted the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 if any without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C is insignificant in the consolidated financial statements.

(iii) Amendment to Ind AS 12 – Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The adoption of the standard did not have any material impact to the consolidated financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

(iv) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

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

2.4 Significant accounting judgments, estimates and assumptions

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

(A) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which has the most significant effect on the consolidated financial statements:

(i) Consolidation of entities in which the Group holds less than a majority of voting rights (de facto control):-

Group owns 49% ownership interest in Dholera Infrastructure Private Limited ("DIPL"), Group has entered into an agreement with the other shareholders of the DIPL basis which the directors of the Company has assessed that it has the practical ability to direct the relevant activities of DIPL unilaterally and therefore APSEZ has control over DIPL.

(ii) Investment in entities which are not considered for consolidation

The Group has investment of ₹ 400.0 Million in Kutch Railway Company Limited ("KRCL"), the investee, to the tune of the 20% of the paid up capital of the said company. However, the considering that majority of the remaining shares are held by government companies / government authorities / government agencies, and the day-to day-operations being managed by government officials, the Group does not consider that it has significant influence over KRCL. Accordingly, the investment in the said entity has not been accounted under Ind AS 28.

(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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when

Impairment of non-financial assets (including goodwill)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years or tenure of contract and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the CGU, are disclosed and further explained in note 40(a), 41 and 44.

Impairment of financial assets

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

Taxes

Deferred tax assets (including MAT credits) 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 judgement 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 26.

Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 28.

Fair value measurement

In measuring the fair value of certain assets and liabilities for financial reporting purpose, the Group uses market observable data to the extent available. Where such Level 1 inputs are not available, the Group engages third party qualified valuers to establish appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 33 for further disclosures.

Provision for Decommissioning Liabilities

The management of the Group has estimated that there is no contractual and probable decommissioning liability under the condition / terms of the various concession agreements/sub-concession agreements with various Maritime Boards/Government Port Trust Authorities.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of respective asset if recognition criteria for the provision are met in case of agreement with Food Corporation of India.

Depreciation / amortisation and useful lives of property, plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

3. Property, Plant and Equipment, Right-of-Use Assets, Other Intangible Assets and Goodwill

(a) Property, Plant and Equipment

₹ in Million

Particulars	Property, Plant and Equipment																
	Free Hold Land	Leasehold land	Buildings, Roads and Civil Infrastructure	Computer Hardware	Land Development cost	Office Equipments	Plant & Equipment	Furniture & Fixture	Vehicles	Dredged Channels	Marine Structures	Railway Tracks	Tugs and Boats	Railway Wagons	Aircraft	Project Assets	Total
Cost																	
As at April 1, 2018	**6,578.5**	**790.1**	**30,552.7**	**673.2**	**8,207.1**	**893.0**	**60,423.4**	**736.7**	**357.8**	**35,929.6**	**28,711.7**	**8,819.7**	**20,630.0**	**1,165.0**	**2,930.1**	**9,999.4**	**217,398.0**
Acquisitions through Business Combination	1,911.9	1,387.5	2,866.5	8.4	-	1.9	3,619.9	9.8	1.5	-	12,201.9	626.2	-	793.3	-	-	23,428.8
Acquisitions	3,766.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,766.0
Additions	1,338.3	821.6	7,797.6	301.2	375.9	345.9	11,787.1	1,074.0	47.6	3,262.0	5.8	260.1	14.5	135.2	-	25.5	27,592.3
Deductions/Adjustment	-	(65.2)	-	(3.4)	(27.8)	(0.6)	(66.3)	(0.3)	(14.1)	-	(153.3)	-	(51.0)	-	-	(0.2)	(382.2)
Exchange difference	-	-	290.7	-	10.3	1.7	475.2	3.0	-	80.6	440.5	73.4	-	-	84.7	152.1	1,612.2
As at March 31, 2019	**13,594.7**	**2,934.0**	**41,507.5**	**979.4**	**8,565.5**	**1,241.9**	**76,239.3**	**1,823.2**	**392.8**	**39,272.2**	**41,206.6**	**9,779.4**	**20,593.5**	**2,093.5**	**3,014.8**	**10,176.8**	**273,415.1**
Acquisitions through Business Combination (refer note 37(i))	746.0	-	18.4	2.9	-	2.0	2,047.3	4.5	0.4	-	-	-	-	-	-	-	2,821.5
Acquisitions (refer note 37(ii))	2,350.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,350.0
Reclassified on account of adoption of Ind AS 116 (refer note 2.3 (x)(i))	-	(2,934.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,934.0)
Additions	3,757.9	-	5,000.3	319.2	3,134.7	322.1	16,238.9	508.3	36.6	673.0	6,667.8	45.0	1,828.6	2,381.8	6.9	731.2	41,652.3
Deductions/Adjustment	(5.1)	-	(58.2)	(9.4)	-	(3.8)	(164.4)	(1.6)	(10.7)	-	-	-	(421.3)	-	-	(171.4)	(845.9)
Exchange difference	-	-	135.6	-	-	-	301.5	-	-	58.3	221.2	33.2	-	-	55.0	135.9	940.7
As at March 31, 2020	**20,443.5**	**-**	**46,603.6**	**1,292.1**	**11,700.2**	**1,562.2**	**94,662.6**	**2,334.4**	**419.1**	**40,003.5**	**48,095.6**	**9,857.6**	**22,000.8**	**4,475.3**	**3,076.7**	**10,872.5**	**317,399.7**
Accumulated Depreciation																	
As at April 1, 2018	**-**	**59.5**	**5,340.7**	**371.8**	**845.4**	**449.0**	**12,071.8**	**123.9**	**138.0**	**2,141.1**	**1,925.4**	**2,512.9**	**2,503.4**	**293.3**	**518.7**	**3,662.5**	**32,957.4**
Depreciation for the year	-	51.8	1,607.4	142.4	379.8	138.4	4,940.1	77.5	53.0	937.2	1,026.4	753.3	1,390.4	107.9	177.7	894.3	12,677.6
Deductions/(Adjustment)	-	61.4	-	(3.4)	-	(0.4)	(20.5)	(0.2)	(4.6)	-	(46.5)	-	(14.9)	-	-	(0.1)	(29.2)
As at March 31, 2019	**-**	**172.7**	**6,948.1**	**510.8**	**1,225.2**	**587.0**	**16,991.4**	**201.2**	**186.4**	**3,078.3**	**2,905.3**	**3,266.2**	**3,878.9**	**401.2**	**696.4**	**4,556.7**	**45,605.8**
Reclassified on account of adoption of Ind AS 116 (refer note 2.3 (x)(i))	-	(172.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(172.7)
Depreciation for the year	-	-	1,873.7	186.3	307.7	207.3	6,200.9	182.1	51.6	1,013.6	1,127.9	790.8	1,399.9	308.8	181.9	879.8	14,712.3
Deductions/Adjustment	-	-	(10.9)	(8.7)	-	(2.9)	(70.8)	(1.0)	(8.8)	-	-	-	-	-	-	(91.8)	(194.9)
As at March 31, 2020	**-**	**-**	**8,810.9**	**688.4**	**1,532.9**	**791.4**	**23,121.5**	**382.3**	**229.2**	**4,091.9**	**4,033.2**	**4,057.0**	**5,278.8**	**710.0**	**878.3**	**5,344.7**	**59,950.5**
Net Block																	
As at March 31, 2019	13,594.7	2,761.3	34,559.4	468.6	7,340.3	654.9	59,247.9	1,622.0	206.4	36,193.9	38,301.3	6,513.2	16,714.6	1,692.3	2,318.4	5,620.1	227,809.3
As at March 31, 2020	**20,443.5**	**-**	**37,792.7**	**603.7**	**10,167.3**	**770.8**	**71,541.1**	**1,952.1**	**189.9**	**35,911.6**	**44,062.4**	**5,800.6**	**16,722.0**	**3,765.3**	**2,198.4**	**5,527.8**	**257,449.2**

Notes :-

a) Depreciation of ₹ 520.3 Million (previous year ₹ 325.3 Million) relating to the project assets and pre-fabricated residential structure (temporary structure) has been allocated to Capitalisation / Capital Work-in-progress for expansion of project works.

b) Freehold Land includes land development cost of ₹ 125.6 Million (previous year ₹ 125.6 Million).

c) Plant & Equipment includes cost of Water Pipeline amounting to ₹ 33.7 Million (Gross) (previous year ₹ 33.7 Million), accumulated depreciation ₹ 19.8 Million (previous year ₹ 15.9 Million) which is constructed on land not owned by the Company.

d) Buildings includes 612 residential flats (previous year 612 residential flats) and a hostel building valuing ₹ 1,307.5 Million (Gross) (previous year ₹ 1,307.5 Million), accumulated depreciation ₹ 131.8 Million (previous year ₹ 104.9 Million) at Samudra Township, Mundra, which are pending to be registered in Company's name.

e) As a part of concession agreement for development of port and related infrastructure at Mundra, the Company has been allotted land on lease basis by Gujarat Maritime Board (GMB). The Company has recorded rights in the GMB Land at present value of future annual lease payments in the books and classified the same as lease hold land. On adoption of Ind As 116 same has been classified to Right-of-Use assets .

f) Land development cost on leasehold land includes costs incurred towards reclaimed land of ₹ 8,398.2 Million (previous year ₹ 6,911.8 Million), accumulated depreciation ₹ 1,304.6 Million (previous year ₹ 963.8 Million). The cost has been estimated by the management, being cost allocated out of the dredging activities approximate the actual cost.

g) Reclaimed land measuring 1,093.53 hectare are pending to be registered in the name of the Company.

h) Project Assets includes dredgers and earth moving equipments.

i) Free hold Land and lease hold land includes Land given on Operating Lease Basis:
Gross Block as at March 31, 2020 : ₹ 67.1 Million (previous year ₹ 67.1 Million)
Accumulated Depreciation as at March 31, 2020 : ₹ 3.0 Million (previous year ₹ 2.4 Million)
Net Block as at March 31, 2020 : ₹ 64.1 Million (previous year ₹ 64.7 Million)

j) Leasehold land includes 38 hectare of forest land amounting to ₹ 35.9 Million allotted to one of the subsidiary company by Ministry of Environment and Forests.

k) GIDC has allotted 11.70 hectare of land on right to use basis for the period of 10 years for developing facilities for the project having gross value of ₹ 5.8 Million (previous year ₹ 5.8 Million) to one of the subsidiary company.

l) Plant & Equipment includes electrical installation of ₹ 130.4 Million and accumulated depreciation of ₹ 57.6 Million (previous year ₹ 130.4 Million and accumulated depreciation of ₹ 46.1 Million) for setting up of 66 kVA infrastructure facilities for providing power connection to the port facilities of subsidiary companies.

m) The amount of borrowing costs capitalised during the year ended March 31, 2020 was ₹ 485.9 Million (previous year ₹ 361.2 Million). The rate used to determine the amount of borrowing costs eligible for capitalisation was ranging from 3.38% to 9%, which is the effective interest rate of the specific borrowing.

n) The subsidiary company had reclaimed total 230 hectares of land for its port activities. The Company had developed these land area through dredging activities and an amount of ₹ 176.8 Million (previous year ₹ 176.8 Million) is capitalised as leasehold land development.

o) Refer footnote to note 14 and 17 for security / charges created on property, plant and equipment.

(b) Right-of-Use Assets

₹ in Million

Particulars	Land	Building	Plant & Equipment	Railway Wagons	Vehicles	Total
Cost						
Recognition on Initial application of Ind As 116 as at April 01, 2019	4,612.9	609.5	385.2	764.7	79.7	6,452.0
Reclassified on account of adoption of Ind AS 116 (refer note 2.3 (x)(i))	2,951.9	-	-	-	-	2,951.9
Additions	8,796.0	-	-	193.5	-	8,989.5
Exchange difference	-	-	-	-	(4.9)	(4.9)
As at March 31, 2020	**16,360.8**	**609.5**	**385.2**	**958.2**	**74.8**	**18,388.5**
Accumulated Depreciation						
Depreciation for the year	618.1	58.8	152.5	102.6	28.0	960.0
Deductions/(Adjustment)	-	-	-	-	(1.1)	(1.1)
As at March 31, 2020	**618.1**	**58.8**	**152.5**	**102.6**	**26.9**	**958.9**
Net Block						
As at March 31, 2020	**15,742.7**	**550.7**	**232.7**	**855.6**	**47.9**	**17,429.6**

(c) Other Intangible Assets

₹ in Million

Particulars	Software	Railway License Fee	Service Concession Assets	Right to operate port	Non-compete agreement	Right to use of land	Total
Cost							
As at April 1, 2018	**772.6**	**312.5**	**19,315.6**	**-**	**-**	**215.6**	**20,616.3**
Acquisitions through Business Combination	4.6	-	4,475.2	1,238.0	-	-	5,717.8
Additions	420.7	50.0	26.1	-	-	-	496.8
Deductions/Adjustment	-	-	(404.9)	-	-	-	(404.9)
Exchange difference	2.5	-	-	-	-	-	2.5
As at March 31, 2019	**1,200.4**	**362.5**	**23,412.0**	**1,238.0**	**-**	**215.6**	**26,428.5**
Acquisitions through Business Combination (refer note 37(i))	1.8	45.6	-	-	155.0	**-**	202.4
Reclassified on account of adoption of Ind AS 116 (refer note 2.3 (x)(i))	-	-	-	-	-	(215.6)	(215.6)
Additions	133.9	-	201.9	-	-	-	335.8
Deductions/Adjustment	(11.8)	-	(15.7)	-	-	-	(27.5)
As at March 31, 2020	**1,324.3**	**408.1**	**23,598.2**	**1,238.0**	**155.0**	**-**	**26,723.6**
Accumulated Amortisation & Impairment							
As at April 1, 2018	**267.0**	**75.0**	**4,662.1**	**-**	**-**	**24.0**	**5,028.1**
Amortisation for the year	199.3	25.3	1,111.4	45.5	-	1.0	1,382.5
Impairment (refer note 40 (a))	-	-	(529.5)	-	-	-	(529.5)
Deductions/Adjustment	-	-	(178.2)	-	-	-	(178.2)
As at March 31, 2019	**466.3**	**100.3**	**5,065.8**	**45.5**	**-**	**25.0**	**5,702.9**
Reclassified on account of adoption of Ind AS 116 (refer note 2.3 (x)(i))	**-**	**-**	**-**	**-**	**-**	(25.0)	(25.0)
Amortisation for the year	221.8	31.3	1,286.5	60.7	50.5	-	1,650.8
Deductions/Adjustment	(4.2)	-	(4.7)	-	-	-	(8.9)
As at March 31, 2020	**683.9**	**131.6**	**6,347.6**	**106.2**	**50.5**	**-**	**7,319.8**
Net Block							
As at March 31, 2019	734.1	262.2	18,346.2	1,192.5	-	190.6	20,725.6
As at March 31, 2020	**640.4**	**276.5**	**17,250.6**	**1,131.8**	**104.5**	**-**	**19,403.8**

(d) Goodwill

₹ in Million

Particulars	March 31, 2020	March 31, 2019
Carrying value at the beginning of the year	**32,679.3**	26,671.3
Amount recognised through acquisitions and business combinations. (refer note 37(i))	**201.7**	6,008.4
On account of dilution in stake of subsidiary	**(17.2)**	-
Forex movement	**(1.3)**	(0.4)
Carrying value at the end of the year (refer note 44)	**32,862.5**	32,679.3

4 a) Investments accounted using Equity Method

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
In Equity Shares of Joint Venture Entities and Associates		
32,22,31,817 (previous year 32,22,31,817) fully paid Equity Shares of ₹ 10 each of Adani International Container Terminal Private Limited (refer note 36 (b))	**-**	-
5,93,78,278 (previous year 5,93,78,278) fully paid Equity Shares of ₹ 10 each of Adani CMA Mundra Terminal Private Limited (refer note 36 (b))	**-**	-
30,60,000 (previous year 30,60,000) fully paid Equity Shares of ₹ 10 each of Adani NYK Auto Logistics Solutions Private Limited (refer note 36 (b))	**26.4**	30.0
4,34,42,879 (previous year Nil) fully paid Equity Share of ₹ 44 each of Snowman Logistics Limited (refer note 46)	**1,911.5**	-
2,02,00,000 fully paid Equity Shares of ₹ 10 each of Adani Total Private Limited (Formerly known as Adani Petroleum Terminal Private Limited) (refer note (e) below & note 36 (b))	**6,322.2**	-
	8,260.1	**30.0**

b) Other Investments

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Unquoted		
In Equity Shares of Company (Investment at fair value through OCI) (refer note (c) below)		
5,00,00,000 (previous year 5,00,00,000) fully paid Equity Shares of ₹ 10 each of Kutch Railway Company Limited	**2,500.0**	2,350.0
1,73,30,000 (previous year - 1,73,30,000) fully paid Equity Shares of ₹ 10 each of Bharuch Dahej Railway Company Limited	**225.1**	242.4
5,50,000 (previous year 5,50,000) fully paid Equity Shares of ₹ 10 each of Mundra Solar Technopark Private Limited	**9.4**	9.4
1,000 (previous year 1,000) fully paid Equity Shares of AUD 1 each of Mundra Port Pty Limited	-*	-*
14,001 (previous year 14,001) fully paid Equity Shares of ₹ 10 each of Ambily Technologies Private Limited	**52.1**	52.1
50,000 (previous year 50,000) fully paid Equity Share of ₹ 10 each of Mundra LPG Terminal Private Limited (refer note (d) below)	**0.5**	0.5
50,000 (previous year 50,000) fully paid Equity Share of ₹ 10 each of Adani Dhamra LPG Terminal Private Limited (refer note (d) below)	**0.5**	0.5
	-	-
Total FVTOCI Investment	**2,787.6**	2,654.9
In Government Securities (valued at amortised cost)	-	-
National Savings Certificates (Lodged with Government Department) & others	-*	-*
	-	-
In preference shares of Joint Venture Entities (Investment at fair value through profit or loss)	**-**	-
1,28,60,526 (Previous Year - Nil) fully paid Compulsorily Convertible Preference shares of ₹ 225 each of Adani Total Private Limited (Formerly known as Adani Petroleum Terminal Private Limited)	**613.4**	-
	-	-
Investments	**3,401.0**	**2,654.9**

-* Figures being nullified on conversion to ₹ in Million.

Notes:

a) Aggregate amount of unquoted investments as at March 31, 2020 ₹ 9,749.6 Million (previous year ₹ 2,684.9 Million).

b) Aggregate amount of quoted investments as at March 31, 2020 ₹ 1,911.5 Million (previous year ₹ Nil).

c) Reconciliation of Fair value measurement of the investment in unquoted equity shares

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Opening Balance	**2,654.9**	2,421.4
Add : Investment made during the year	**-**	1.0
Fair value gain recognised in Other comprehensive income (net)	**132.7**	232.5
Closing Balance	**2,787.6**	2,654.9

d) During the previous year, pursuant to issuance of new equity shares by Adani Dhamra LPG Terminal Private Limited ("ADLTPL") and Mundra LPG Terminal Private Limited ("MLTPL") to Adani Trading Services LLP on a private placement basis on December 29, 2018, these companies (ADLTPL, MLTPL) have ceased to be subsidiaries of the Company. With regards to loss of control of the subsidiary subsequently, the investment has since been classified as Investment at Fair Value through OCI.

e) Value of Deemed Investment accounted in joint venture entities in terms of fair valuation under Ind AS 109

Particulars	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Adani Total Private Limited	2,383.70	-

5 Trade Receivables
(unsecured, unless otherwise stated)

	Current portion	
	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Trade Receivables		
Considered good	**32,701.9**	28,382.4
Less : Allowances for expected credit loss due to increase in credit risk	**(680.5)**	(485.8)
	32,021.4	27,896.6
Other Trade Receivables	**25,890.9**	24,319.1
Customers' Bill Discounted (refer note (c) below)	**6,130.5**	3,577.5
Total Trade Receivables	**32,021.4**	**27,896.6**

Refer note 31 for related party balances

Notes:

a) No trade or other receivables 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 receivables are collectable within 30-180 days although the Group provide extended credit period with interest between 8% to 15% considering business and commercial arrangements with the customers including with the related parties. Receivables of ₹ Nil (previous year ₹ 4.3 Million) are contractually collectable on deferred basis.

c) The Carrying amounts of the trade receivables include receivables amounting to ₹ 6,130.5 Million (previous year ₹ 3,577.5 Million) which are subject to a bills discounting arrangement. Under this arrangement, the Group has transferred the relevant receivables to the bank / financial institution in exchange of cash and is prevented from selling or pledging the receivables. The Cost of bill discounting is to the customer's account as per the arrangement. However, the Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the bills discounting arrangement is presented as unsecured borrowing in note 17.

6 Loans
(Unsecured unless otherwise stated)

	Non-current portion		Current portion	
	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million	**March 31, 2020 ₹ In Million**	March 31, 2019 ₹ In Million
Loans to Joint Venture Entities				
- Considered Good	**12,643.7**	12,195.4	**680.0**	2,695.0
Loans to Related Parties				
- Considered Good	**-**	-	**18.5**	32.5
Loans to others (refer note below)				
- Considered Good	**-**	-	**17,830.3**	12,748.6
	12,643.7	12,195.4	**18,528.8**	15,476.1

Note :

Loan to others includes inter-corporate deposits aggregating ₹ 17,830.3 Million (previous year ₹ 10,921.0 Million) (Including renewals on due dates) to third parties. These deposits are given at prevailing market interest rates. The inter-corporate deposits have been approved by the Finance committee of the Board of Directors and subsequently noted by the Board of Directors of the company.
Repayment of loans given to these parties along with interest thereon have been guaranteed by way of undertaking obtained from one of the promoter owned entity, in the event of default by the said companies to pay the dues.

7 Other Financial Assets

	Non-current portion		Current portion	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Security deposits (refer note 34(i))				
- Considered good	**31,808.8**	27,637.0	**1,201.1**	1,211.8
- Considered doubtful	**-**	-	**72.7**	72.7
	31,808.8	27,637.0	**1,273.8**	1,284.5
Allowances for doubtful deposit	**-**	-	**(72.7)**	(72.7)
	31,808.8	27,637.0	**1,201.1**	1,211.8
Loans and Advances to Employees	**19.7**	17.7	**33.3**	31.5
Lease Receivable (refer note (b) below)	**14,780.6**	14,055.0	**333.2**	530.7
Margin money deposits (refer note 11)	**69.0**	99.3	**-**	-
Interest Accrued	**1,707.9**	258.4	**7,437.1**	12,097.0
Non Trade Receivable	**-**	-	**25.3**	5,747.3
Asset under Service Concession	**1,119.5**	1,080.6	**200.0**	202.2
Receivables against sale of investment	**-**	-	**52.6**	841.7
Derivative Instruments / Forward Contracts Receivable	**806.0**	-	**396.4**	725.7
Advance for land consideration (refer note (a) below)	**280.1**	319.3	**44.2**	40.3
Insurance Claim Receivables	**-**	-	**118.4**	84.0
Gratuity Assets (refer note 28)	**-**	-	**25.3**	19.8
	50,591.6	43,467.3	**9,866.9**	21,532.0

Note:-

a) Advance for land consideration are payments towards cost of port land towards port development which is acquired and owned by Government of Odisha, the payment of which has been borne by one of the subsidiary. The payments so made by the subsidiary are being adjusted against revenue share dues payable to the government from the commencement date of commercial operations in annual equal instalments over 15 years.

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

₹ In Million

Particulars	**March 31, 2020**		March 31, 2019	
	Gross Investment in the Lease	**Present Value of MLPR**	Gross Investment in the Lease	Present Value of MLPR
Within One Year	**1,287.6**	**1,173.0**	1,773.9	1,680.3
After one year but not later than five years	**5,712.0**	**4,051.8**	5,186.1	3,935.5
More than five years	**31,807.7**	**9,889.0**	30,196.4	8,969.9
Total minimum lease receivables	**38,807.3**	**15,113.8**	37,156.4	14,585.7
Less: Amounts representing finance charges	**(23,693.5)**	**-**	(22,570.7)	-
Present value of minimum lease receivables	**15,113.8**	**15,113.8**	**14,585.7**	**14,585.7**

8 Other Assets

	Non-current portion		Current portion	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Capital advances (refer note (a) & (b) below)				
- Secured, considered good	**216.9**	343.5	**-**	-
- Unsecured, considered good	**10,168.4**	11,628.9	**-**	-
- Unsecured, doubtful	**105.9**	105.9	**-**	-
	10,491.2	12,078.3	**-**	-
Less: Allowances for doubtful advances	**(105.9)**	(105.9)	**-**	-
	10,385.3	11,972.4	**-**	-
Balance with Government Authorities	**2,533.6**	3,433.6	**3,293.3**	1,717.5
Prepaid Expenses	**171.1**	1,559.1	**546.5**	456.2
Accrued revenue	**-**	-	640.0	634.6
Contract Assets (refer note (c) below)	**-**	-	**908.0**	794.0
Advances recoverable other than in cash				
To others	**0.4**	0.6	**1,375.5**	684.6
To related parties	**2,371.0**	2,371.0	**1,864.4**	1,278.7
Project work in progress (refer note (d) below)	**4,223.3**	-	**-**	-
Deferred Rent	**85.7**	-	**-**	-
Export benefits and Other receivables	**2,626.8**	2,582.2	**3,014.0**	2,963.2
Taxes recoverable (net) (refer note 26)	**5,139.4**	2,363.9	**-**	-
	27,536.6	24,282.8	**11,641.7**	8,528.8

Notes:

a) Capital advance includes ₹ 2,460.6 Million (previous year ₹ 1,987.2 Million) paid to various parties and government authorities towards purchase of land.

b) The Group has received bank guarantees of ₹ 216.9 Million (previous year ₹ 343.5 Million) against capital advances.

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

d) As at March 31, 2020, the Dhamra Port Company Limited (a subsidiary company) has spent ₹ 4,223.3 Million towards development of LNG Terminal Marine Infrastructure (Project) which is proposed to be transferred to Dhamra LNG Terminal Private Limited (DLNG) on Right of Use basis on completion of the Project. Cost incurred on the project till March 31, 2020 is classified as 'Project Work in Progress'

9 Inventories (At lower of cost and Net realisable value)

	Non-current portion		Current portion	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Stores and Spares, Fuel and Lubricants	-	-	**2,882.8**	2,437.9
Project work in progress	**4,223.3**	-	**-**	5,628.9
	4,223.3	-	**2,882.8**	8,066.8
Amount disclosed under non-current assets (refer note 8)	**(4,223.3)**	-	-	-
	-	-	**2,882.8**	8,066.8

10 Current Investments

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Unquoted mutual funds (valued at fair value through profit or loss)		
2,50,000 units (previous year 2,50,000 units) of ₹ 10 each in HDFC Mutual Fund	**2.5**	2.5
Nil (previous year 49638 units) of ₹ 2929 each in SBI Mutual Fund	**-**	145.4
48,465 units (previous year 48,465 units) of ₹ 2402 each in IDFC cash fund Mutual Fund	**116.4**	109.9
Nil (Previous Year 4,332.65 Units) of ₹ 300 each in Aditya Birla Sun Life Cash Plus - Direct Plan - Growth	**-**	1.3
Nil (Previous Year 20,020.33 Units) of ₹ 300 each in Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	**-**	6.0
Investment in Commercial Papers (CP) (Valued at Amortised Cost)		
Commercial Papers of ECAP Equities Limited (refer note below)	**-**	4,323.0
Investment in Debentures (Valued at Amortised Cost)		
Nil (previous year 550) 9.55 % Non-Convertible Redeemable Debentures of ₹ 10,00,000 each of J M Financial Products Limited	**-**	550.0
	118.9	5,138.1
Aggregate carrying value of unquoted Mutual Funds	**118.9**	265.1
Aggregate net assets value of unquoted Mutual Funds	**118.9**	265.1
Aggregate carrying value of unquoted investment in Commercial Papers and Debentures	**-**	4,873.0

Note:
Investments in commercial papers of ECAP Equities Limited was rated A1+ during the previous year.

11 Cash and Bank Balances

	Non-current portion		Current portion	
	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million	**March 31, 2020 ₹ In Million**	March 31, 2019 ₹ In Million
Cash and cash equivalents				
Balance in current account	**-**	-	**71,508.4**	46,128.9
Deposits with original maturity of less than three months	**-**	-	**443.8**	1,850.7
Cash on hand	**-**	-	**2.4**	2.3
	-	-	**71,954.6**	47,981.9
Other bank balances				
In Current Account (earmarked for Unpaid Dividend)	**-**	-	**17.3**	10.8
Deposits with original maturity over 3 months but less than 12 months	**-**	-	**184.2**	10,675.8
Margin Money Deposits (refer note below)	**69.0**	99.3	**982.5**	1,004.5
	69.0	99.3	**1,184.0**	11,691.1
Amount disclosed under Non- Current Financial Assets (refer note 7)	**(69.0)**	(99.3)	**-**	-
	-	-	**1,184.0**	11,691.1

Note:
Margin Money Deposits aggregating to ₹ 1,051.5 Million (previous year ₹ 1,103.8 Million) are pledged / lien against bank guarantees, letter of credit and other credit facilities.

12 Equity Share Capital

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Equity share capital		
Authorised share capital		
4,97,50,00,000 (previous year 4,97,50,00,000) Equity Shares of ₹ 2 each	**9,950.0**	9,950.0
	9,950.0	9,950.0
Issued, subscribed and fully paid-up share capital		
2,03,17,51,761 (previous year 2,07,09,51,761) fully paid up Equity Shares of ₹ 2 each	**4,063.5**	4,141.9
	4,063.5	4,141.9

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	March 31, 2020		March 31, 2019	
	No.	**₹ In Million**	No.	₹ In Million
At the beginning of the year	**2,070,951,761**	**4,141.9**	2,070,951,761	4,141.9
Add/(Less):- Shares bought back (refer note (ii) below)	**(39,200,000)**	**(78.4)**	-	-
Outstanding at the end of the year	**2,031,751,761**	**4,063.5**	2,070,951,761	4,141.9

Notes:

i) Terms/rights attached to equity shares

The Company has only one class of equity share having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

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.

ii) During the year, the Company has bought-back of 39,200,000 Equity Shares at a price of ₹ 500 per equity share from eligible shareholders of the Company on a proportionate basis through Tender Offer route in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder.

(b) Equity Component of Non-cumulative Redeemable Preference Shares

Particulars	March 31, 2020		March 31, 2019	
	No.	**₹ In Million**	No.	₹ In Million
At the beginning of the year	**2,811,037**	**1,658.8**	2,811,037	1,658.8
Add:- Impact due to remeasurement of Deferred Tax (refer note (ii) below)	**-**	**148.2**	-	-
Less: Pre-redemption of Preference shares (refer note (iii) below)	**(309,213)**	**(141.7)**	-	-
Outstanding at the end of the year	**2,501,824**	**1,665.3**	2,811,037	1,658.8

i) Terms of Non-cumulative Redeemable Preference shares:

- The Company has outstanding 2,501,824 (previous year 2,811,037) 0.01 % Non-Cumulative Redeemable Preference Shares ('NCRPS') of ₹ 10 each issued at a premium of ₹ 990.00 per share. Each holder of preference shares has a right to vote only on resolutions placed before the Company which directly affects the right attached to preference share holders. These shares are redeemable on March 28, 2024 at an aggregate premium of ₹ 2,476.8 Million (equivalent to ₹ 990.00 per share).
In the event of liquidation of the Company, the holder of NCRPS (before redemption) will have priority over equity shares in the payment of dividend and repayment of capital. The preference shares carry fixed dividend which is non-discretionary.

- The Preference Shares issued by the Company are classified as Compound Financial Instrument. These preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised as interest expense using the effective interest method.

- The equity component of convertible preference shares includes the securities premium amount received on issue of preference shares and the preference share capital, redemption premium reserve being created in compliance of the Companies Act, 2013.

ii) Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 effective from April 01, 2019, Company has re-measured the outstanding deferred tax liability that is expected to be reversed in future. Accordingly, an amount ₹ 148.2 Million have been adjusted in Other Equity.

iii) Company has redeemed 309,213 Non-Cumulative Redeemable Preference Shares of ₹ 10 each issued at premium of ₹ 990 per share prior to its maturity at net present value discounted @ 8%.

c) Details of shareholders holding more than 5% shares in the Company

Equity Shares	March 31, 2020		March 31, 2019	
	No.	**% holding in the class**	No.	% holding in the class
Equity shares of ₹ 2 each fully paid				
i) Gautambhai Shantilal Adani and Rajeshbhai Shantilal Adani (on behalf of S.B. Adani Family Trust)	**799,353,935**	**39.34%**	812,765,189	39.25%
ii) Adani Tradeline LLP (Formerly, known as Parsa Kente Rail Infra LLP)	**138,193,549**	**6.80%**	140,512,153	6.78%
Non-Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up				
Gujarat Ports Infrastructure and Development Co. Limited (refer note 12 (b) (iii))	**-**	**-**	309,213	11.00%
Priti G. Adani	**500,365**	**20.00%**	500,365	17.80%
Shilin R. Adani	**500,364**	**20.00%**	500,364	17.80%
Pushpa V. Adani	**500,365**	**20.00%**	500,365	17.80%
Ranjan V. Adani	**500,455**	**20.00%**	500,455	17.80%
Suvarna M. Adani	**500,275**	**20.00%**	500,275	17.80%
	2,501,824	**100.00%**	2,811,037	100.00%

13 Other Equity

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Equity Component of Non Cumulative Redeemable Preference shares		
Opening Balance	**1,658.8**	1,658.8
Add:- Impact due to remeasurement of Deferred Tax (refer note 12 (b)(ii))	**148.2**	-
Less:- Pre-mature redemption of Preference Share	**(141.7)**	-
Closing Balance	**1,665.3**	1,658.8
Securities Premium		
Opening Balance	**25,517.2**	25,517.2
Less:- Premium paid on buyback of equity shares (refer note 12 (a) (ii))	**(19,521.6)**	-
Closing Balance	**5,995.6**	25,517.2

Note:- Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The same is available for utilisation in accordance with the provisions of the Companies Act, 2013.

General Reserve		
Opening Balance	**25,758.7**	22,608.7
Add- Transfer from Debenture Redemption Reserve	**1,624.9**	3,150.0
Less: Transfer to Capital Redemption Reserve upon buyback	**(78.4)**	-
Less: Transaction costs for buyback	**(107.2)**	-
Closing Balance	**27,198.0**	25,758.7

Note:- The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

Debenture Redemption Reserve ("DRR")		
Opening Balance	**5,140.4**	6,617.1
Add: Transferred from Retained Earnings	**1,256.5**	1,673.3
Less: Transferred to General Reserve	**(1,624.9)**	(3,150.0)
Closing Balance	**4,772.0**	5,140.4

Note: The Company has issued redeemable non-convertible debentures. The Company has been creating Debenture Redemption Reserve (DRR) as per the relevant provisions of the Companies Act 2013. However, according to Companies (Share Capital and Debentures) Amendment Rules, 2019 effective from August 16, 2019, the Company is not required to create DRR on any fresh issue of Debentures. Accordingly, the Company has not created DRR on fresh issue of redeemable non-convertible debentures.

Capital Redemption Reserve ("CRR")		
Opening Balance	-	-
Add: Transferred from General Reserve on account of buy-back of shares	**78.4**	-
Closing Balance	**78.4**	-

Note: As per Companies Act, 2013, Capital redemption reserve is created when company purchases its own shared out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Tonnage Tax Reserve		
Opening Balance	**5,298.2**	3,195.0
Add: Transferred from Retained Earnings	**2,165.3**	2,103.2
Closing Balance	**7,463.5**	5,298.2

Note:- Subsidiary companies, The Adani Harbour Services Private Limited and Shanti Sagar International Dredging Private Limited have opted for Tonnage Tax Scheme u/s 115V of the Income Tax Act, 1961. Accordingly Section 115 VT of the Income Tax Act, 1961 requires the said companies to create Tonnage Tax Reserve and transfer the amount equivalent to 20% of the book profits of the said companies from retained earnings to Tonnage Tax Reserve and to be utilised only for the purpose as mentioned in the said Act.

Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	**(710.7)**	(371.3)
Add : Foreign exchange loss during the year	**(167.9)**	(1,534.7)
Less : Amortised in statement of profit and loss	**878.6**	1,195.3
Closing Balance	**-**	(710.7)

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

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Retained Earnings		
Opening Balance	**176,895.8**	145,820.0
Add : Profit attributable to equity holders of the parent	**37,631.3**	39,902.2
Add: Gain on Increase in non controlling interest	**-**	4.1
Add: Gain on pre-mature redemption of preference shares	**185.2**	-
Less : Dividend on shares	**(6,915.8)**	(4,141.9)
Less : Dividend distribution tax paid (DDT)	**(1,428.4)**	(856.4)
Less : Transfer to Debenture Redemption reserve	**(1,256.5)**	(1,673.3)
Less : Transfer to Tonnage Tax Reserve	**(2,165.3)**	(2,103.2)
Less : Others	**-**	(33.4)
Less : Remeasurement losses on defined benefit plans (net of tax)	**(24.6)**	(22.3)
Closing Balance	**202,921.7**	176,895.8

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.

Other Comprehensive Income

Foreign Currency translation reserve		
Opening Balance	**(2.1)**	(0.1)
Add/(Less):- Change during the year	**406.9**	(2.0)
Closing Balance	**404.8**	(2.1)

Note:- Exchange differences relating to translation of results and net assets of the group's foreign operations from their functional currencies to the group's presentation currency (i.e rupees) are recognised directly in other comprehensive income and accumulated in foreign currency translation reserve.

Cash Flow Hedge Reserve		
Opening Balance	-	-
Add/(Less):- Change during the year	(121.2)	-
Closing Balance	**(121.2)**	**-**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Equity instrument through other comprehensive income		
Opening Balance	**1,683.8**	1,501.0
Add : Change in fair value of FVTOCI Equity Investments (net of tax)	**109.5**	182.8
Closing Balance	**1,793.3**	1,683.8

Note:- This reserve represents the cumulative gains and losses arising on the revaluation of equity investments measured at fair value through other comprehensive income.

Total Other Equity	**252,171.4**	**241,240.1**

Dividend Distribution made and proposed

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Cash Dividend on equity shares declared and paid		
Final Dividend for the year ended March 31, 2019 (₹ 0.20 per share) and March 31, 2018 (₹ 2.00 per share)	**414.2**	4,141.9
Interim Dividend for the year ended March 31, 2020 (₹ 3.20 per share) and March 31, 2019 (₹ Nil)	**6,501.6**	-
Dividend Distribution Tax	**1,446.9**	865.7
	8,362.7	5,007.6
Proposed Dividend on Equity Shares		
Final Dividend for the year ended March 31, 2020 ₹ Nil (Final Dividend for the previous year was decided ₹ 0.20 per share in the board meeting scheduled on June 04, 2019)	**-**	414.2
Dividend Distribution Tax	**-**	85.1
	-	499.3
Cash Dividend on Preference Shares declared and paid		
Dividend @ 0.01 % on Non-Cumulative Redeemable Preference Shares	**-***	**-***
Dividend Distribution Tax	**-***	**-***
Proposed Dividend on Preference Shares		
Dividend @ 0.01 % on Non-Cumulative Redeemable Preference Shares	**-***	**-***
Dividend Distribution Tax	**-***	**-***

-* Figure nullified in conversion of ₹ in Million

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax thereon).

14 Non Current Borrowings

	Non-current portion		Current portion	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Debentures				
2,520 (previous year 2,520) 9.35% Non Convertible Redeemable Debentures of ₹ 1,000,000 each Secured (Redeemable on July 04, 2026) (refer note (c) below)	**2,513.9**	2,513.2	**-**	-
16,000 (previous year 16,000) 7.65% Non Convertible Redeemable Debentures of ₹ 1,000,000 each Secured (Redeemable ₹ 5,333.0 Million on October 31, 2025, ₹ 5,333.0 Million on October 31, 2026 and ₹ 5,334.0 Million on October 30, 2027) (refer note (e) below)	**15,858.8**	15,843.6	**-**	-
10,000 (previous year 10,000) 8.22% Non Convertible Redeemable Debentures of ₹ 1,000,000 each Secured (Redeemable ₹ 3,333.0 Million on March 07, 2025, ₹ 3,333.0 Million on March 07, 2026 and ₹ 3,334.0 Million on March 08, 2027) (refer note (c) below)	**10,000.0**	10,000.0	**-**	-
13,000 (previous year 13,000) 8.24% Non Convertible Redeemable Debentures of ₹ 1,000,000 each Secured (Redeemable ₹ 4,333.0 Million on November 29, 2024, ₹ 4,333.0 Million on November 29, 2025 and ₹ 4,334.0 Million on November 27, 2026) (refer note (d) below)	**13,000.0**	13,000.0	**-**	-
2,000 (previous year 2,000) 9.35% Non Convertible Redeemable Debentures of ₹ 1,000,000 each Secured. (Redeemable ₹ 1,000.0 Million on May 26, 2023 and ₹ 1,000.0 Million on May 27, 2026) (refer note (a) below)	**1,984.9**	1,982.5	**-**	-
4,940 (previous year 4,940) 10.50% Non Convertible Redeemable Debentures of ₹ 1,000,000 each Secured (Redeemable at three annual equal instalments commencing from February 25, 2021) (refer note (a) below)	**3,293.3**	4,940.0	**1,646.7**	-
400 (previous year 400) 10.50% Non Convertible Redeemable Debentures of ₹ 1,000,000 each Secured (Redeemable in 4 quarterly equal instalments on December 27, 2020, March 27, 2021, June 27, 2021, and September 27, 2021) (refer note (b) below)	**198.2**	394.0	**198.3**	-
Nil (previous year 1,500) 9.05% Non Convertible Redeemable Debentures of ₹ 1,000,000 each Secured (Redeemed on May 22, 2019) (refer note (a) below)	**-**	-	**-**	1,500.0
2,800 (previous year Nil) 7.5% Non Convertible Redeemable Debentures of ₹ 1,000,000 each Secured. (Redeemable ₹ 700 Million on April 23, 2021 and ₹ 2,100 Million on June 15, 2021) (refer note (f) below)	**2,800.0**	-	**-**	-
Nil (previous year 5,000) 9.05% Non Convertible Redeemable Debentures of ₹ 1,000,000 each Secured. (Redeemed on April 10, 2019) (refer note (a) below)	**-**	-	**-**	4,999.6
Preference shares				
Liability Component of Compound Financial Instrument - 0.01% Non Cumulative Redeemable Preference shares (unsecured) (refer note 12 (b))	**970.9**	999.4	**-**	-
Term loans				
Foreign currency loans:				
From banks (secured) (refer note (g), (h), k(ii) to k(iii) below)	**6,216.9**	7,333.7	**1,631.3**	1,511.2
From banks (unsecured) (refer note j(vi) below)	**-**	10,985.2	**12,048.2**	-
From Other financial institutions (secured) (refer note k(i) below)	**-**	-	**-**	154.9

	Non-current portion		Current portion	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
3.50% Foreign Currency Bond priced at 195 basis points over the 5 years US Treasury Note (unsecured) (refer note j(i) below)	**-**	44,950.8	**-**	-
4.375% Foreign Currency Bond priced at 238 basis points over the 10 years US Treasury Note (unsecured) (refer note j(iv) below)	**56,201.4**	-	**-**	-
4.00 % Foreign Currency Bond priced at 195 basis points over the 10 years US Treasury Note (unsecured) (refer note j(iii)) below)	**37,402.7**	34,077.5	-	-
3.375% Foreign Currency Bond priced at 150 basis points over the 5 years US Treasury Note (unsecured) (refer note j(v)) below)	**48,834.0**	-	**-**	-
3.95% Foreign Currency Bond priced at 189 basis points over the 5 years US Treasury Note (unsecured) (refer note j(ii)) below)	**37,718.2**	34,369.3	**-**	-
Rupee loans:				
From banks (secured) (refer note i, k(vii) to k(xviii)	**24,169.2**	6,943.9	**1,824.0**	1,363.6
From other financial institutions (unsecured) (refer note j(viii) below)	**12.0**	36.4	**24.4**	23.0
From others (unsecured) (refer note k(xix) below)	**24.8**	24.8	**-**	-
Foreign currency letters of credit	-	-	**-**	-
From banks (unsecured) (refer note j(vii), k(iv) to k(vi) below)	**614.1**	10,438.9	**-**	1,612.4
	261,813.3	198,833.2	**17,372.9**	11,164.7
The above amount includes				
Secured borrowings	**80,035.2**	62,950.9	**5,300.3**	9,529.3
Unsecured borrowings	**181,778.1**	135,882.3	**12,072.6**	1,635.4
Amount disclosed under the head other Current Financial Liabilities (refer note 15)	**-**	-	**(17,372.9)**	(11,164.7)
	261,813.3	198,833.2	**-**	-

Notes:

a) Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹ 6,924.9 Million (previous year ₹ 13,422.1 Million) which are secured by first Pari-passu charge on all the immovable and movable assets of Multi-purpose Terminal, Terminal-II and Container Terminal –II project assets.
₹ 7,500.0 Million (7,500 debentures of ₹ 1,000,000/- each) were bought back on March 29, 2019 based on the resolution passed by the board at its meeting held on March 18, 2019.

b) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 396.5 Million (previous year ₹ 394.0 Million) which are secured by exclusive mortgage and charge on entire Single Point Mooring (SPM) facilities serving Indian Oil Corporation Limited - Mundra and the first charge over receivables from Indian Oil Corporation Limited.

c) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 12,513.9 Million (previous year ₹ 12,513.2 Million) which are secured by first pari-passu charge on all the movable and immovable assets pertaining to coal terminal project assets at Wandh.

d) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 13,000.0 Million (previous year ₹ 13,000.0 Million) which are secured by first pari-passu charge on specified assets of certain subsidiary companies' arrangements as per Debenture Trust Deed.

e) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 15,858.8 Million (previous year ₹ 15,843.6 Million) are secured by first pari-passu charge on specified assets of one of the subsidiary companies' arrangements as per Debenture Trust Deed.

f) Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 2,800.0 Million (previous year ₹ Nil) are secured by first pari-passu charge on all the movable and immovable assets pertaining to coal terminal project assets at Mundra.

g) Foreign currency loans aggregating to ₹ 914.2 Million (previous year ₹ 1,201.1 Million) carries interest @ 6 months Euribor plus 95 basis point. The above loan is repayable in 5 Semi-annual equal instalment from the balance sheet date. The loan is secured by exclusive charge on the Dredgers procured under the facility.

h) Foreign currency loans aggregating to ₹ 357.4 Million (previous year ₹ 504.3 Million) carries interest @ 6 months Euribor plus 75 basis point. The loan is repayable in 4 semi annually equal instalments from the balance sheet date. The loan is secured by exclusive charge on the Cranes purchased under the facility.

i) Rupee term loan amounting to ₹ 14,863.3 Million (previous year ₹ Nil) carries interest @ 1 month Treasury Bill Rate plus spread of 2.58% with floor of 7.65 %, with bullet repayment in the year 2022. Rupee Loan to be secured by exclusive charge on identified assets. The Company is in process of creating charge on the same.

j) Unsecured Loan

(i) 5 years Foreign Currency Bond of USD 650 million equivalent to ₹ Nil (previous year ₹ 44,950.8 Million) carried interest @ 3.50 % p.a. and same has been pre paid during the current year.

(ii) 5 years Foreign Currency Bond of USD 500 million equivalent to ₹ 37,718.2 Million (previous year ₹ 34,369.3 Million) carries interest rate at 3.95% p.a. with bullet repayment in the year 2022.

(iii) 10 years Foreign Currency Bond of USD 500 million equivalent to ₹ 37,402.7 Million (previous year ₹ 34,077.5 Million) carries interest rate at 4.00% p.a. with bullet repayment in the year 2027.

(iv) 10 years Foreign Currency Bond of USD 750 million equivalent ₹ 56,201.4 Million (previous year ₹ Nil) carries interest rate at 4.375% p.a. with bullet repayment in the year 2029.

(v) 5 years Foreign Currency Bond of USD 650 million equivalent ₹ 48,834.0 Million (previous year ₹ Nil) carries interest rate at 3.375% p.a. with bullet repayment in the year 2024.

(vi) Foreign Currency Loan aggregating to ₹ 12,048.2 Million (previous year ₹ 10,985.2 Million) carries interest at 3 months Libor plus 1.25% with bullet repayment in the year 2021.

(vii) Foreign currency letters of credit aggregating to ₹ Nil (previous year ₹ 5,536.1 Million) carried interest at 3 months Libor plus basis point in range of 50 to 65 and 3 to 12 months Euribor plus basis point in range of 65 to 75. Same has been repaid during the current year.

(viii) Rupee Term Loan aggregating to ₹ 36.4 Million (previous year ₹ 59.4 Million) carries interest ranging from 4.56 % p.a. to 7.95 % p.a. repayment beginning from May 2018 and having last repayment date on November 2021.

k) **loans taken by the subsidiaries includes:**

(i) Foreign currency term loans from financial institutions amounting to ₹ Nil (previous year ₹ 154.9 Million) taken by Karnavati Aviation Private Limited carried interest rate of libor plus 253 basis point. The loan has been repaid in full during the year.

(ii) Foreign currency term loans from banks amounting to ₹ 494.8 Million (previous year ₹ 742.4 Million) taken by Karnavati Aviation Private Limited carries interest rate of libor plus 175 basis point. The Loan is repayable in 6 Quarterly instalments from balance sheet date. The loan is secured by hypothecation of Aircraft Legacy 650.

(iii) Foreign currency Term Loan from Banks taken by Shanti Sagar International Dredging Private Limited aggregating to ₹ 6,081.8 Million (previous year ₹ 6,397.1 Million) are secured by way of first ranking exclusive charge over the assets of company committed under agreement, Charge on assets has been created through agreement in favor of Axis trustee service Limited acting on behalf of all the lenders. The same carries interest in the range of 6 month EURIBOR Zero ("0") plus 50 basis points. The loans are repayable 6 monthly in 20 equal installments commencing from May 16, 2018 and final repayment will be done on November 16, 2027.

(iv) Suppliers bills accepted under foreign currency letters of credit taken by The Dhamra Port Company Limited amounting to ₹ Nil (previous year ₹ 1,612.4 Million). The loan was unsecured and carried interest 3 month LIBOR plus 1.20 % and 6 month LIBOR plus 0.5 %. The loan has been repaid on April 02, 2019. This facility was availed out of the facility sanctioned to the Company.

(v) Suppliers bills accepted under foreign currency letters of credit by Adani Ennore Container Terminal Private Limited aggregating to ₹ Nil (previous year ₹ 3,459.3 Million). The loan carried interest @ 3 to 6 Months Libor plus basis points in the range of 50 to 120. The same loan has been repaid during the current year.

(vi) Foreign Letter of credit facilities taken by Adani Vizhinjam Port Private Limited of ₹ 614.1 Million (Previous year ₹ 1,443.5 Million) carries interest within range 1% to 1.25% for the balance usance period. The Foreign letter of credit outstanding as at March 31, 2020 is repayable on May 08, 2020, and maturity is extended as per RBI Guidelines for Capital Goods. During the year, foreign letter of credit facilities of ₹ 1,443.5 Million has been repaid on maturity.

(vii) Loans from banks taken by The Dhamra Port Company Limited includes secured rupee term loan from banks amounting to ₹ 2,992.6 Million (previous year ₹ 3,989.2 Million) payable in 24 variable quarterly instalments starting from June 2016 to March 2022 carries interest @ 8.35% to 8.75% p.a. The loan is secured by a first pari passu charge on all immovable Property, Plant and Equipments (including lease hold properties), movable fixed assets, non-current assets & current assets (including book debts, operating cash flows, receivables, revenue), intangible assets, pertaining to the existing project capacity both present & future and all bank accounts including (Trust & Retention Account and Debt Service Account). Also secured by pledge of shares representing 30% of the total equity paid up capital of the company.

(viii) Loan taken by Adani Agri Logistics Limited aggregating to ₹ 2,137.3 Million (previous year ₹ 2,904.3 Million) is secured by first exclusive charge on mortgage of immovable properties pertaining to the project, first exclusive charge by way of hypothecation of all movable assets, first exclusive charge on book debts, operating cash flows, receivables, commission, revenues of projects, first exclusive charge by way of hypothecation over Escrow Account and DSRA, first charge by way of assignment of project rights. The term loan will be repaid based on monthly instalments as per the loan repayment schedule agreed upon in the sanction letter.
- The Term Loan having sanctioned amount of ₹ 4,500.0 Million carries interest rate ranging from 8.25% p.a. to 9.25% p.a.
- The Term Loan having sanctioned amount of ₹ 250 Million carries interest rate ranging from 10.00% p.a. to 10.65% p.a.

(ix) Rupee Term Loan taken by Adani Hazira Port Private Limited aggregating to ₹ 6,000 Million (Previous year ₹ Nil) carries floating interest rate of 8.20 % p.a. (bank's 3 months MCLR + 0.30% per annum) payable in 12 consecutive quarterly installments commencing from July 2021 to April 2024. The loan is secured by a first pari passu on the entire assets, both movable and immovable assets, intangible assets, current assets including receivables, both present and future. The company is in the process of creation of charge on the reporting date.

(x) Term Loan from Banks taken by MPSEZ Utilities Private Limited aggregating to ₹ Nil (previous year ₹ 1.0 Million) are secured by way of hypothecation of Plant and Machinery of Company's transmission & distribution business. The loan carried interest rate of Base Rate + 1% and has been repaid during the current year in equal quarterly instalment after moratorium of 3 months. The tenure of loan was upto March 31, 2020.

(xi) Indian rupee loan taken by Adani Agri Logistics (Satna) Limited aggregating to ₹ Nil (previous year ₹ 174.0 Million) from bank carried floating rate of interest of bank's 1 year MCLR + 0.35% per annum payable monthly have been repaid during the year.

(xii) Indian rupee loan taken by Adani Agri Logistics (Ujjain) Limited aggregating to ₹ Nil (previous year ₹ 161.4 Million) from bank carried floating rate of interest of bank's 1 year MCLR + 0.35% per annum payable monthly have been repaid during the year.

(xiii) Indian rupee loan taken by Adani Agri Logistics (Dewas) Limited aggregating to ₹ Nil (previous year ₹ 177.9 Million) from bank carried floating rate of interest of bank's 1 year MCLR + 0.35% per annum payable monthly have been repaid during the year.

(xiv) Indian rupee loan taken by Adani Agri Logistics (Kotkapura) Limited aggregating to ₹ Nil (previous year ₹ 217.1 Million) from bank carried floating rate of interest of bank's 1 year MCLR + 0.20% per annum payable monthly have been repaid during the year.

(xv) Indian rupee loan taken by Adani Agri Logistics (MP) Limited aggregating to ₹ Nil (previous year ₹ 195.5 Million) from bank carried floating rate of interest of bank's 1 year MCLR + 0.35% per annum payable monthly have been repaid during the year.

(xvi) Indian rupee loan taken by Adani Agri Logistics (Harda) Limited aggregating to ₹ Nil (previous year ₹ 184.8 Million) from bank carried floating rate of interest of bank's 1 year MCLR + 0.35% per annum payable monthly have been repaid during the year.

(xvii) Indian rupee loan taken by Adani Agri Logistics (Hoshangabad) Limited aggregating to ₹ Nil (previous year ₹ 186.3 Million) from bank carried floating rate of interest of bank's 1 year MCLR + 0.35% per annum payable monthly have been repaid during the year.

(xviii) Indian rupee loan taken by Adani Agri Logistics (Katihar) Limited aggregating to ₹ Nil (previous year ₹ 116.0 Million) from bank carried floating rate of interest of bank's 1 year MCLR + 0.35% per annum payable monthly have been repaid during the year.

(xix) Loan taken by Adinath Polyfills Private Limited aggregating to ₹ 24.8 Million (previous year ₹ 24.8 Million) from its related parties.

15 Other Financial Liabilities

	Non-current portion		Current portion	
	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million	**March 31, 2020 ₹ In Million**	March 31, 2019 ₹ In Million
Current maturities of long term borrowings (refer note 14)	**-**	-	**17,372.9**	11,164.7
Derivative Instruments	**-**	108.8	**-**	363.1
Capital creditors and retention money	**1,042.3**	566.5	**9,146.2**	8,365.3
Other payables (including discounts etc.)	**-**	-	**2,798.6**	2,204.2
Lease liabilities (refer note (a) below)	**5,672.8**	519.6	**390.5**	33.2
Unpaid Dividends #	**-**	-	**10.3**	10.8
Interim Dividend Payable	**-**	-	**7.0**	-
Interest accrued but not due on borrowings	**579.6**	414.7	**3,029.7**	2,729.6
Deposit from Customer	**15.3**	45.3	**354.7**	304.2
Financial Guarantees given	**33.3**	5.6	**16.5**	6.6
Put Option Liability	**-**	-	**235.0**	235.0
	7,343.3	1,660.5	**33,361.4**	25,416.7

Not due for credit to "Investors Education & Protection Fund"

Notes:

(a) Land, Building, Vehicles, Plant & Equipments and Railway Wagons have been taken on lease by the Group. The terms of lease rent are for the period ranging from 3 years to 35 years depending on the lease agreement with the lessor. Such leases are renewable by mutual consent. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements.

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

₹ In Million

Particulars	Within one year	After one year but not later than five years	More than five years	Total minimum lease payments	Less: Amounts representing finance charges	Present value of minimum lease payments
March 31, 2020						
Minimum Lease Payments	744.5	2,338.5	9,026.0	12,109.0	(6,045.7)	6,063.3
Finance charge allocated to future periods	354.0	1,355.8	4,335.9	6,045.7	-	-
Present Value of MLP	390.5	982.7	4,690.1	6,063.3	-	6,063.3
March 31, 2019						
Minimum Lease Payments	46.3	197.8	1,145.4	1,389.5	(836.7)	552.8
Finance charge allocated to future periods	13.1	75.7	747.9	836.7	-	-
Present Value of MLP	33.2	122.1	397.5	552.8	-	552.8

(b) Disclosure with regards to changes in liabilities arising from financing activities - Ind AS 7 Statement of Cash Flows

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

₹ In Million

Particulars	Borrowings (including current maturities) & Interest Accrued but not due	Lease Liabilities	Unpaid Dividend on Equity (including Interim dividend) and Preference Shares (including Dividend Distribution Tax)	Derivative Contracts	Buyback of equity shares and expense upon buyback	Pre-mature redemption of Preference Shares	Total
April 1, 2018	**225,392.2**	-	**8.8**	**1,062.2**	-	-	**226,463.2**
Cash Flows	28,360.2	-	(5,050.5)	(176.3)	-	-	23,133.4
Foreign Exchange Movemer	7,550.9	-	-	-	-	-	7,550.9
Change in fair value	(55.8)	-	-	-	-	-	(55.8)
Charged to Profit and Loss	14,283.0	-	-	(431.1)	-	-	13,851.9
Dividend recognised during	-	-	5,052.5	-	-	-	5,052.5
Acquisition adjustment	7,212.9	-	-	-	-	-	7,212.9
Bills discounted (net)	(4,142.5)	-	-	-	-	-	(4,142.5)
March 31, 2019	**278,600.9**	-	**10.8**	**454.8**	-	-	**279,066.5**
Cash Flows	(15,223.5)	(134.2)	(8,446.2)	1,078.8	(19,707.2)	(124.0)	(42,556.3)
Foreign Exchange Movement	17,682.5	-	-	-	-	-	17,682.5
Adjustment due to adoption of Ind As 116	-	6,197.5	-	-	-	-	6,197.5
Change in fair value	(138.0)	-	-	-	-	-	(138.0)
Charged to Profit and Loss	19,506.4	-	-	(1,533.6)	-	-	17,972.8
Charged to other equity	-	-	-	-	19,707.2	124.0	19,831.2
Dividend recognised during the year	-	-	8,445.7	-	-	-	8,445.7
Acquisition adjustment/change in dilution of stake in subsidiary	1,385.9	-	-	-	-	-	1,385.9
Bills discounted (net)	2,553.0	-	-	-	-	-	2,553.0
March 31, 2020	**304,367.2**	**6,063.3**	**10.3**	**-**	**-**	**-**	**310,440.8**

16 Other Liabilities

	Non-current portion		Current portion	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
Advance from customers (refer note 39)	**-**	-	**7,319.1**	659.0
Deposit from customers	**-**	-	**113.4**	154.3
Statutory liabilities	**-**	-	**1,268.2**	1,233.4
Unearned Income under long term land lease/ Infrastructure usage agreements	**6,366.8**	6,922.1	**635.0**	635.0
Deferred Income on fair valuation of Deposit taken	**11.5**	12.6	**-**	-
Deferred Government Grant (refer note (i) below)	**4,327.7**	4,372.1	**126.9**	120.4
Deferred Revenue for Service Line Contributions	**390.7**	273.4	**-**	-
Unearned revenue	**-**	-	**659.1**	658.8
Contract liabilities (refer note (ii) & (iii) below)	**3,435.9**	3.1	**3,344.9**	2,181.8
	14,532.6	11,583.3	**13,466.6**	5,642.7

Note:-

(i) Movement in Deferred Government Grant	**March 31, 2020 ₹ In Million**	March 31, 2019 ₹ In Million
Opening Balance	**4,492.5**	4,636.9
Add : Addition during the year	**96.4**	110.4
Less : Adjustment during the year	**(9.5)**	(140.3)
Less: Amortisation during the year	**(124.8)**	(114.5)
Closing Balance	**4,454.6**	4,492.5

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

(iii) Non Current Contract liabilities include advances received against ongoing project allocated to unsatisfied performance obligation in respect of construction of LNG Project marine infrastructure. As per the management's estimate satisfaction of performance obligation under the contract is expected after 12 months from the balance sheet date.

17 Current Borrowings

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Suppliers credit from bank (unsecured) (refer note (b), h(i) to h(iv) below)	**-**	5,174.1
Bills acceptances (Secured) (refer note h(v) below)	**-**	10.0
Packing Credit Foreign Currency Loan from bank (Unsecured) (refer note (c) below)	**-**	1,728.9
Short term borrowing from banks - (unsecured) (refer note (e), (f), h(vi) below)	**8,500.0**	-
Packing Credit Rupee Currency Loan from bank (unsecured) (refer note (d) below)	**4,000.0**	**-**
Commercial paper (Unsecured) (refer note (g) below)	**2,941.2**	54,968.2
	15,441.2	61,881.2
Customers' Bills Discounted (Unsecured) (refer note 5 (c) and (a) below)	**6,130.5**	3,577.5
	21,571.7	65,458.7

Notes:

a) Factored receivables of ₹ 6,130.5 Million (previous year ₹ 3,577.5 Million) have recourse to the Company and interest liability on amount of bill discounted is borne by the customer. The maturity period of the transfer is 1 to 12 months period.

b) Suppliers bills accepted under letters of credit aggregating to ₹ Nil (previous year ₹ 953.5 Million) carried interest @ 8.22% p.a.

c) Packing Credit foreign currency Loan aggregating to ₹ Nil (previous year ₹ 1,728.9 Million) carried interest at 1 Month Libor plus 75 basis point has been repaid in August 2019.

d) Packing Credit rupee currency Loan aggregating to ₹ 4,000.0 Million (previous year ₹ Nil) carries interest rate @ 6.25 % monthly payable is repayable in July 2020.

e) Short term loan borrowing (STL) amounting to ₹ 4,000.0 Million (previous year ₹ Nil) carrying interest rate @ 9% monthly payable is repayable in June 2020.

f) Short term loan borrowing (STL) amounting to ₹ 4,000.0 Million (previous year ₹ Nil) carrying interest rate @ 7.25% monthly payable linked to repo rate is repayable in July 2020.

g) Commercial Paper (CP) aggregating ₹ 2,941.2 Million (previous year ₹ 54,968.2 Million) carries interest rate in range of 6.60 % to 8.50 % p.a. The CP has maturity period of 1 to 6 months.

h) **Loans taken by the subsidiaries includes:**

(i) Inland Bill Payable Discounting in case of The Dhamra Port Company Limited of ₹ Nil (Previous year ₹ 1,073.2 Million) carried interest rate @ 9.60% per annum and has been repaid on September 17, 2019.

(ii) Foreign Currency Letter of Credit facilities taken by Marine Infrastructure Developer Private Limited from Banks aggregating to ₹ Nil (previous year ₹ 65.7 Million) carried interest at the rate of EURIBOR Zero plus 63 basis points have been repaid during the year.

(iii) Inland Bill Payable Discounting in case of Adani Vizhinjam Port Private Limited amounting to ₹ Nil (Previous year ₹ 1,614.1 Million) carried interest rate @ 9.30% per annum. The inland bill payable discounting has been repaid on June 24, 2019.

(iv) Inland letter of credit facility taken by erstwhile subsidiary company Dhamra LNG Terminal Private Limited from bank aggregating of ₹ Nil (Previous year ₹ 1,467.6 Million) was unsecured. This facility was availed from bank out of the facility sanctioned to Adani Ports and Special Economic Zone Limited. Inland letter of credit carries interest rate of 7.50% to 8.50% per annum.

(v) Bill acceptances in case of Adani Agri Logistics (Katihar) Limited aggregating to ₹ Nil (Previous year ₹ 10.0 Million) have been repaid during the year.

(vi) Short Term Loan taken by Adani Petronet (Dahej) Port Private Limited aggregating to ₹ 500.0 Million (previous year ₹ Nil) from bank carries interest at the rate of 7.05 % linked to 1 month repo rate which is repayable in June, 2020

18 Trade and Other Payables

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Total outstanding dues of micro enterprises and small enterprises (refer note 45)	**19.6**	20.7
Total outstanding dues of creditors other than micro enterprises and small enterprises	**7,267.8**	5,700.0
	7,287.4	5,720.7
Dues to related parties included in above (refer note 31)	**551.6**	267.4

19 Provisions

	Non-current portion		Current portion	
	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million	**March 31, 2020 ₹ In Million**	March 31, 2019 ₹ In Million
Provision for Employee Benefits				
Provision for gratuity (refer note 28)	**31.1**	8.4	**49.3**	33.6
Provision for compensated absences	**46.4**	26.2	**719.4**	664.6
	77.5	34.6	**768.7**	698.2
Other Provisions				
Provision for operational claims (refer note (a) below)	**-**	-	**294.3**	294.3
Provision for asset retirement obligation	**4.8**	4.4	**-**	-
	82.3	39.0	**1,063.0**	992.5

Note (a):	**March 31, 2020 ₹ In Million**	March 31, 2019 ₹ In Million
Opening Balance	**294.3**	336.7
Add : Addition during the year	**-**	-
Less : Utilized / (Settled) during the year	**-**	(42.4)
Closing Balance	**294.3**	**294.3**

Operational Claims are the expected claims against outstanding receivables made/to be made by the customers towards shortages of stock, handling losses, damages to the cargo, storage and other disputes. The probability and the timing of the outflow/adjustment with regard to above depends on the ultimate settlement / conclusion with the respective customer.

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20 Revenue from Operations

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Revenue from Contract with customer (refer note (a) below)		
Income from Port Operations (including Port Infrastructure Services)	**96,678.3**	89,862.3
Utilities Services	**1,203.9**	1,049.7
Aircraft Operations	**279.7**	290.1
Logistics Services	**6,654.0**	4,876.2
	104,815.9	96,078.3
Lease, Upfront Premium and Deferred Infrastructure Income (refer note (b) and (c) below)	**2,857.8**	8,433.5
Income from Export Incentive (Services Exports from India Scheme/Served from India Scheme)	**5,937.2**	3,298.0
Other operating income	**776.8**	1,444.6
	114,387.7	109,254.4

Notes:

a) Reconciliation of revenue recognized with Contract Price

Particulars	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Contract price	**107,810.7**	98,690.9
Adjustment for:		
Change in Consideration	**(204.9)**	(585.6)
Refund Liability	**(2,707.7)**	(2,157.4)
Change in value of Contract Assets	**114.0**	184.3
Change in value of Contract Liabilities	**(196.2)**	(53.9)
Revenue from Contract with Customer	**104,815.9**	96,078.3

b) The Company has given various assets on finance lease to various parties. These leases have terms end between 11 and 30 years. The lease agreements entered are non-cancellable. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements. All land leases include a clause to enable upward revision of the rental charge every three to five years upto 20%. The company has also received one-time income of upfront premium ranging from ₹ 1500 to ₹ 5500 per Sq. mtr for use of common infrastructure by the parties. Such one-time income of upfront premium is non-refundable. Income of ₹ 428.7 Million (previous year ₹ 7,181.6 Milllion) including upfront premium of ₹ 218.0 Million (previous year ₹ 863.8 Million) accrued under such lease have been booked as income in the statement of profit and loss.

c) Land given under operating lease

The Group has given certain land portions on operating lease. These lease arrangements range for a period between 5 and 60 years. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable at the Balance Sheet date is as under:

₹ in Million

Particulars	**March 31, 2020**	March 31, 2019
For a period not later than one year	**898.4**	940.5
For a period later than one year and not later than five years	**4,712.3**	6,197.8
For a period later than five years	**9,299.2**	10,766.6
	14,909.9	17,904.9

The Group has recognised income from operating leases of ₹ 1,288.6 Million (previous year ₹ 135.4 Million)

21 Other Income

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Interest income on		
Bank Deposits, Inter Corporate Deposits, Security Deposits, Finance Lease etc.	**16,254.2**	11,236.8
Customer dues	**443.2**	965.1
Dividend income on Non-current Investments	**80.0**	70.0
Net Gain on Fair value of financial instrument	**487.0**	430.2
Scrap Sales	**72.7**	205.2
Unclaimed liabilities / excess provision written back	**18.4**	189.7
Financial Guarantee Income	**15.2**	58.7
Amortisation of Government Grant (refer note 16 (i))	**124.8**	114.5
Miscellaneous Income	**1,118.0**	353.2
	18,613.5	13,623.4

22 Operating Expenses

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Cargo handling / other charges to contractors (net of reimbursements)	**12,020.3**	10,774.4
Purchase of Power for utilities Business	**1,550.4**	1,404.3
Customer Claims (including expected credit loss)	**97.1**	321.3
Railway's Service Charges	**6,148.0**	3,976.5
Tug and Pilotage Charges	**479.4**	424.4
Maintenance Dredging	**390.7**	143.2
Repairs to Plant & Equipment	**698.4**	580.7
Stores, Spares and Consumables	**1,880.7**	2,577.4
Repairs to Buildings	**104.3**	114.8
Power & Fuel	**3,300.1**	3,203.1
Waterfront Charges	**2,802.0**	2,429.2
Cost of Assets transferred under Finance Lease	**198.0**	341.5
Cargo Freight and Transportation Expenses	**987.7**	1,097.3
Aircraft Operating Expenses	**119.2**	108.7
Other expenses including Customs Establishment charges	**60.2**	111.2
Construction expenses under Service Concession Arrangements	**136.1**	**-**
	30,972.6	27,608.0

23 Employee Benefits Expense

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Salaries, Wages and Bonus	**4,967.2**	4,883.7
Contribution to Provident & Other Funds	**166.9**	140.7
Gratuity Expense (refer note 28)	**55.3**	38.3
Staff Welfare Expenses	**275.8**	235.4
	5,465.2	5,298.1

24 Finance Costs

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
a) Interest and Bank Charges		
Interest on		
Debentures and Bonds	**11,671.0**	10,462.2
Loans, Buyer's Credit etc.	**6,630.4**	3,644.6
Lease liabilities (refer note 2.3 (x)(i))	**403.9**	-
Others	**384.5**	53.0
Bank and other Finance Charges	**416.6**	123.2
	19,506.4	14,283.0
b) Gain on Derivatives / Swap Contracts (net)	**(1,375.0)**	(431.1)
	18,131.4	13,851.9

25 Other Expenses

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Rent Expenses (refer policy note 2.3 (x)(i))	**64.9**	365.0
Rates and Taxes	**67.2**	102.6
Insurance	**595.2**	455.7
Advertisement and Publicity	**103.6**	154.5
Other Repairs and Maintenance	**668.2**	590.7
Legal and Professional Expenses	**1,303.2**	962.6
Corporate Support Service Fees	**637.4**	669.2
IT Support Services	**175.1**	160.3
Security Services Charges	**431.8**	380.5
Communication Expenses	**282.5**	189.1
Electric Power Expenses	**27.3**	22.8
Travelling and Conveyance	**491.4**	417.2
Directors' Sitting Fee	**5.1**	3.8
Commission to Non-executive Directors	**6.3**	3.6
Charity and Donations (refer note (a) below)	**1,103.4**	949.6
Diminution in value of inventories	**1.6**	26.4
Loss on Sale/Discard of Property, Plant and Equipment (net)	**124.9**	41.4
Miscellaneous Expenses	**549.9**	178.5
	6,639.0	**5,673.5**

Notes:

a) Details of Expenditure on Corporate Social Responsibilities

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

(i) Gross Amount required to be spent during the year is ₹ 1,019.6 Million (previous year ₹ 889.9 Million).

(ii) Amount spent during the year ended ₹ In Million

Particulars	In Cash	Yet to be paid in cash	Total
March 31, 2020			
Construction/acquisition of any asset	**-**	**-**	**-**
On purposes other than above	**1,022.2**	**-**	**1,022.2**
	1,022.2	**-**	**1,022.2**
March 31, 2019			
Construction/acquisition of any asset	-	-	-
On purposes other than above	890.5	-	890.5
	890.5	-	890.5

26 Income Tax

The major component of income tax expenses for the year ended March 31, 2020 and March 31, 2019 are as under :-

(i) Tax Expense reported in the Consolidated Statement of Profit and Loss

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Current Income Tax		
Current Tax Charges	**7,074.9**	10,576.0
Tax (credit) under Minimum Alternative Tax	**(1,035.0)**	(1,954.4)
Deferred Tax		
Relating to origination and reversal of temporary differences	**(1,446.0)**	2,193.1
	4,593.9	10,814.7
Tax on Other Comprehensive Income ('OCI')		
Deferred tax related to items recognised in OCI during the year		
Tax impact on re-measurement losses on defined benefit plans	**(4.4)**	(3.2)
Tax impact on net Gains on FVTOCI Equity Investments	**27.6**	54.1
	23.2	50.9

(ii) Balance Sheet Section

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Taxes recoverable (net) (refer note 8)	**5,139.4**	2,363.9
Current Tax Liabilities (net)	**(214.6)**	(285.6)
	4,924.8	**2,078.3**

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

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

	March 31, 2020		March 31, 2019	
	%	₹ In Million	%	₹ In Million
Accounting profit before Income tax		**42,439.2**		51,262.2
At India's Statutory income tax rate	**34.94**	**14,830.0**	34.94	17,913.1
Add /(Less) Tax effect of:-		**-**		-
Expenses not allowable under Tax Law	**0.94**	**397.5**	0.52	266.5
Deduction under chapter VI-A	**(5.29)**	**(2,245.0)**	(3.66)	(1,874.4)
Recognition of deferred tax for previous period	**(0.30)**	**(126.3)**	(1.13)	(578.5)
Income charged as per special provision of Income Tax Act, 1961	**(7.63)**	**(3,237.2)**	(8.14)	(4,172.8)
Income that is exempt from tax	**(0.07)**	**(28.5)**	(0.05)	(24.5)
Adjustment in respect of previous years	**(0.68)**	**(287.8)**	2.92	1,495.0
Reversal of excess provision of earlier years (refer note below)	**-**	**-**	(5.94)	(3,044.1)
MAT Credit of previous period (recognised)/derecognised	**0.04**	**16.1**	(1.22)	(624.0)
Deferred tax balances due to the change in income tax rate (refer footnote to 26 (iv))	**(7.17)**	**(3,043.2)**	-	-
Effect due to different tax rate	**(2.21)**	**(939.7)**	(0.04)	(21.4)
Unused tax losses and tax offsets not recognised as deferred tax assets	**1.35**	**571.7**	1.17	597.7
Subsidiaries' charged at different tax rates	**(3.14)**	**(1,330.5)**	0.72	371.4
MAT credit not availed	**-**	**-**	0.77	396.0
Others	**0.04**	**16.8**	0.22	114.7
Income tax reported in Statement of Profit and Loss	**10.82**	**4,593.9**	21.10	10,814.7

Note:-

During the previous year, the Company filed its return of income for the Assessment Year 2018-19. Based on the opinion obtained by the Company with regard to certain tax positions, the Company has determined it's self-assessment tax. Consequently, the tax expense for the previous year ended March 31, 2019 was adjusted to the tune of ₹ 3,044.1 Million to give effect of self-assessment tax determined by the Company vis-a-vis tax provision made by the Company for the year ended March 31, 2018.

(iv) Deferred Tax Liability (net)

	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
	₹ In Million	₹ In Million	**₹ In Million**	₹ In Million
(Liability) on Accelerated depreciation for tax purpose	**(23,631.0)**	(24,825.3)	**1,194.3**	(7,336.2)
Assets on Provision for Employee Benefits	**76.7**	50.8	**25.9**	1.3
Assets on unrealised intra-group profit	**2,106.5**	2,540.2	**(433.7)**	322.0
Liability on fair valuation gain on account of dilution of stake in Subsidiary	**(1,093.1)**	-	**(1,093.1)**	-
Assets on account of unabsorbed losses/depreciation	**11,333.9**	10,434.9	**899.0**	5,183.3
Liability on finance lease receivables	**(434.6)**	(344.9)	**(89.7)**	(344.9)
Assets on Bond issue expenses amortization	**-**	55.3	**(55.3)**	(41.6)
(Liability) on Preference Share debt component*	**(397.3)**	(626.7)	**31.2**	28.8
Assets on fair valuation of Corporate and Bank Guarantee	**17.4**	4.3	**13.1**	(28.9)
(Liability) on Deemed Investments	**(62.4)**	(56.1)	**(6.3)**	**-**
(Liability) on Business Combination adjustment (refer note 37 (i)(c))	**(1,782.6)**	(2,266.8)	**650.9**	**-**
(Liability) on SCA receivables/Intangible assets	**(304.8)**	(341.4)	**36.6**	**-**
(Liability) on Forward Mark to Mark	**-**	(195.8)	**195.8**	(195.8)
(Liability) on equity investment FVTOCI	**(347.1)**	(319.5)	**(27.6)**	(54.1)
Assets / (Liability) on other temporary differences	**306.1**	224.4	**81.7**	222.1
	(14,212.3)	(15,666.6)	**1,422.8**	(2,244.0)

*Reversal of Deferred Tax liability on deemed equity of preference share of ₹ 148.2 Million on account of change in tax rates as per note below and ₹ 50.0 Million on account of premature redumption of preference shares is adjusted to other equity.

Note:-

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 effective from April 01, 2019, domestic companies have the option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. Based on the assessment, the Group has chosen to exercise the option of New tax rate for certain companies. Accordingly where it has chosen to exercise New tax rate, the companies have:

a) made the provision for current tax and deferred tax at the rate of 25.17%

b) written off unutilised credit for Minimum Alternate Tax aggregating to ₹ 86.5 Million

For rest of the companies, the Group has chosen to continue with existing tax structure until utilisation of accumulated Minimum Alternate Tax (MAT) credit.

Further, Ind-AS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. The Group has made estimates, based on its budget, regarding income anticipated in foreseeable future year when those temporary differences are expected to reverse and measured the same at New tax rate. Accordingly, the Group has re-measured the outstanding deferred tax balances that is expected to be reversed in future at New tax rate and an amount of ₹ 3,043.2 Million and ₹ 148.2 Million have been written back in the Statement of Profit and Loss and Other Equity respectively in the current year.

(v) Deferred Tax reflected in the Balance Sheet as follows

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Deferred Tax Assets (net)	**12,096.2**	10,283.8
Deferred Tax Liabilities (net)	**(2,869.7)**	(2,160.3)
	9,226.5	8,123.5
Component of Deferred Tax Assets / (Liabilities)		
Tax Credit Entitlement under MAT	**23,438.8**	23,790.1
Less :Deferred tax liabilities (net)	**(14,212.3)**	(15,666.6)
	9,226.5	8,123.5

(vi) Deferred tax liabilities (net)

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Tax expenses during the period recognised in Statement of Profit and Loss	**(1,446.0)**	2,193.1
Tax expenses during the period recognised in OCI	**23.2**	50.9
	(1,422.8)	2,244.0

MAT credit of ₹ 1,051.1 Million (previous year ₹ 1,954.0 Million) has been recognised in subsidiary entities Adani Petronet (Dahej) Port Private Limited, MPSEZ Utilities Private Limited, Marine Infrastructure Developer Private Limited and Adani Hazira Port Private Limited.

(vii) The Group has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recognised in the Balance Sheet

Financial Year	**Amount (₹ in Million)**	**Expiry Date**
2012-13	77.0	2027-28
2013-14	3,643.8	2028-29
2014-15	5,136.1	2029-30
2015-16	7,082.2	2030-31
2016-17	4,133.2	2031-32
2017-18	1,055.8	2032-33
2018-19	1,259.6	2033-34
2019-20	1,051.1	2034-35
Total	**23,438.8**	

(viii) Certain subsidiary companies have carried forward unabsorbed depreciation aggregating ₹ 14,976.5 Million (Previous year ₹ 12,513.9 Million) under the Income Tax Act,1961 for which there is no expiry date of its tax credit utilisation by the respective entities. Further certain subsidiary companies have carried forward losses aggregating ₹ 4,970.3 Million (previous year ₹ 3,415.3 Million) 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 year 2020-21 to 2026-27.

Deferred tax assets have not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by ₹ 6,886.4 Million (previous year ₹ 5,490.6 Million)

(ix) The Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. DDT represents additional payment to taxation authority on behalf of the shareholders hence DDT paid is charged to other equity.

(x) Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that earnings of the subsidiary will not be distributed in the foreseeable future.

27 Earnings Per Share (EPS)

	March 31, 2020 ₹ In Million	March 31, 2019 ₹ In Million
Profit after tax	**37,631.3**	39,902.2
Less : Dividends on Non-Cumulative Redeemable Preference Shares and tax thereon	-*	-*
Net profit for calculation of basic and diluted EPS	**37,631.3**	**39,902.2**
-* Figures being nullified on conversion to ₹ in Million		
	No.	No.
Weighted average number of equity shares in calculating basic and diluted EPS	**2,051,244,657**	2,070,951,761
Basic and Diluted Earnings per Share (in ₹)	**18.35**	19.27

(This space has been intentionally left blank)

28 Disclosures as required by Ind AS - 19 Employee Benefits

a) The Group has recognised, in the Consolidated Statement of Profit and Loss for the current year, an amount of ₹ 159.9 Million (Previous Year ₹ 134.7 Million) as expenses under the following defined contribution plan.

₹ in Million

Contribution to	**2019-20**	2018-19
Provident Fund	**158.1**	132.9
Superannuation Fund	**1.8**	1.8
Total	**159.9**	134.7

b) The Group has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Companies 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 asset-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 summarises the component of the net benefits expense recognised in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plan.

Gratuity

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

₹ in Million

Particulars	**March 31, 2020**	March 31, 2019
Present value of the defined benefit obligation at the beginning of the year	**363.9**	271.2
Current service cost	**56.1**	38.2
Past Service Cost	**-**	-
Interest cost	**28.0**	23.0
Actuarial (gain) / loss arising from and including OCI:	**-**	-
- change in demographic assumptions	**3.1**	(6.6)
- change in financial assumptions	**30.4**	45.6
- experience variance	**(5.0)**	(17.5)
Benefits paid	**(20.2)**	(18.5)
Liability Transfer In- Business acquisition adjustment	**12.3**	23.5
Liability Transfer In/(out)	**(5.0)**	5.0
Present value of the defined benefit obligation at the end of the year	**463.6**	363.9

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

₹ in Million

Particulars	**March 31, 2020**	March 31, 2019
Fair value of plan assets at the beginning of the year	**341.7**	271.5
Investment income	**26.0**	22.3
Contributions by employer	**43.1**	44.7
Benefits paid	**(1.4)**	(5.3)
Return on plan assets , excluding amount recognised in net interest expense	**(0.9)**	(4.3)
Acquisition Adjustment	**-***	12.8
Fair value of plan assets at the end of the year	**408.5**	341.7

-* Figures being nullified on conversion to ₹ in Million

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

₹ in Million

Particulars	**March 31, 2020**	March 31, 2019
Present value of the defined benefit obligation at the end of the year	**463.6**	363.9
Fair value of plan assets at the end of the year	**408.5**	341.7
Amount recognised in the balance sheet	**(55.1)**	(22.2)
Net asset - Current (Refer note 7)	**25.3**	19.8
Net liability - Current (Refer note 19)	**(49.3)**	(33.6)
Net liability - Non-current (Refer note 19)	**(31.1)**	(8.4)

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

₹ in Million

Particulars	**March 31, 2020**	March 31, 2019
Current service cost	**56.1**	38.2
Interest cost on benefit obligation	**2.0**	0.7
Amount capitalised	**(2.8)**	(0.6)
Total Expense included in employee benefits expense	**55.3**	38.3

v) Recognised in the other comprehensive income for the year

₹ in Million

Particulars	March 31, 2020	March 31, 2019
Actuarial (gain)/losses arising from		
- change in demographic assumptions	**3.1**	**(6.6)**
- change in financial assumptions	**30.4**	45.6
- experience variance	**(5.0)**	(17.5)
Amount capitalised	**(0.4)**	(0.3)
Return on plan assets, excluding amount recognised in net interest expense	**0.9**	4.3
Recognised in other comprehensive income	**29.0**	25.5

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

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

The estimates of future salary increases, considered in actuarial valuation, takes into account 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.

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

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

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

viii) Sensitivity Analysis Method

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

Quantitative sensitivity analysis for significant assumption is as below

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

Particulars	March 31, 2020		March 31, 2019	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	(34.6)	**39.9**	(25.2)	28.7

Particulars	March 31, 2020		March 31, 2019	
Assumptions	Salary Growth rate		Salary Growth rate	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	39.0	**(34.6)**	28.2	(25.4)

Particulars	March 31, 2020		March 31, 2019	
Assumptions	Attrition rate		Attrition rate	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	(10.4)	**14.5**	(4.6)	5.7

Particulars	March 31, 2020		March 31, 2019	
Assumptions	Mortality rate		Mortality rate	
Sensitivity level	0.1% Increase	0.1% Decrease	0.1% Increase	0.1% Decrease
Impact on defined benefit obligations	₹ In Million	₹ In Million	₹ In Million	₹ In Million
	(0.1)	**0.1**	-*	-*

-* Figures being nullified on conversion to ₹ in Million

ix) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2020	March 31, 2019
Weighted average duration (based on discounted cash flows)	**8 years**	7 years

x) The Following payments are expected contributions to the defined benefit plan in future years:

₹ in Million

Particulars	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	**46.2**	40.3
Between 2 and 5 years	**177.9**	161.7
Between 5 and 10 years	**188.8**	165.3
Beyond 10 years	**491.4**	366.3
Total Expected Payments	**904.3**	733.6

The Group expects to contribute ₹ 109.3 Million to gratuity fund in the financial year 2020-21. (previous year ₹ 61.9 Million)

xi) Asset-Liability Matching Strategies

The Group 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 Group 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)

29 Segment Information

Operating Segments

The identified reportable Segments are (i) Port and SEZ activities which includes developing, operating and maintaining the Ports services, Ports related Infrastructure development activities and development of infrastructure at contiguous Special Economic Zone and (ii) others in terms of Ind-AS 108 "Operating Segments" as notified under section 133 of the Companies Act 2013. Other Segment mainly includes Aircraft Operating Income, Utilities services, Warehousing and transportation of food grains. Container Trains Services on specific Railway Routes and Multi-modal Cargo storage cum logistics services through development of Inland Container Depots at various strategic locations in terms of concession agreement from Ministry of Railways.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, other intangible assets, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Summary of segment information is given below:

₹ in Million

Particulars	Port and SEZ activities	Others	Eliminations	Total
Revenue				
External Sales	**106,885.2** *102,089.6*	**11,845.5** *7,164.8*	**-** -	**118,730.7** *109,254.4*
Inter-Segment Sales	**527.8** *470.6*	**855.9** *997.2*	**(1,383.7)** *(1,467.8)*	**-** -
Total Revenue	**107,413.0** *102,560.2*	**12,701.4** *8,162.0*	**(1,383.7)** *(1,467.8)*	**118,730.7** *109,254.4*
Results				
Segment Results	**58,198.9** *57,446.3*	**979.8** *542.5*	**-** -	**59,178.7** *57,988.8*
Unallocated Corporate Income (Net of expenses)	**-** -	**-** -	**-** -	**(15,305.5)** *(5,076.6)*
Operating Profit	**58,198.9** *57,446.3*	**979.8** *542.5*	**-** -	**43,873.2** *52,912.2*
Less: Finance Expense	**-** -	**-** -	**-** -	**18,131.4** *13,851.9*
Add: Interest Income	**-** -	**-** -	**-** -	**16,697.4** *12,201.9*

Particulars	Port and SEZ activities	Others	Eliminations	Total
Profit before tax	**-**	**-**	**-**	**42,439.2**
	-	-	-	*51,262.2*
Tax Expense	**-**	**-**	**-**	**4,593.9**
	-	-	-	*10,814.7*
Profit after tax	**-**	**-**	**-**	**37,845.3**
	-	-	-	*40,447.5*
Less: Minority Interest	**-**	**-**	**-**	**214.0**
	-	-	-	*545.3*
Net profit	**-**	**-**	**-**	**37,631.3**
	-	-	-	*39,902.2*
Other Information				
Segment Assets	**521,123.5**	**37,385.5**	**-**	**558,509.0**
	451,031.2	*31,494.1*	-	*482,525.3*
Unallocated Corporate Assets	**-**	**-**	**-**	**63,527.7**
	-	-	-	*82,749.3*
Total Assets	**-**	**-**	**-**	**622,036.7**
	-	-	-	*565,274.6*
Segment Liabilities	**53,244.7**	**3,238.1**	**-**	**56,482.8**
	34,713.9	*1,728.1*	-	*36,442.0*
Unallocated Corporate Liabilities	**-**	**-**	**-**	**307,123.1**
	-	-	-	*281,351.2*
Total liabilities	**-**	**-**	**-**	**363,605.9**
	-	-	-	*317,793.2*
Capital Expenditure during the year	**31,334.8**	**4,879.3**	**-**	**36,214.1**
	28,194.0	*1,210.9*	-	*29,404.9*
Segment Depreciation and amortisation	**15,454.3**	**1,348.5**	**-**	**16,802.8**
	13,158.8	*576.0*	-	*13,734.8*
Major Non-Cash Expenses other than Depreciation and amortisation (net)	**841.7**	**-**	**-**	**841.7**
	1,173.7	-	-	*1,173.7*
Unallocated Major Non-Cash Expenses other than Depreciation and amortisation (net)	**-**	**-**	**-**	**17,097.3**
	-	-	-	*4,473.0*

Previous year figures are in italics

Additional information regarding the Company's geographical segments: ₹ in Million

Sr No	Particulars	Revenue from External Customers		Non Current Assets	
		For the year ended March 31, 2020	For the year ended March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
1	India	**113,572.7**	104,737.5	**377,815.3**	349,265.1
2	Outside India	**5,158.0**	4,516.9	**9,029.7**	1,066.7

There is no transaction with single external customer which amounts to 10% or more of the Group's revenue.

30 Adani Ports and Special Economic Zone Limited's share in the voting power of subsidiary companies as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2020	Proportion of Ownership Interest (%) March 31, 2019
i	Adani Logistics Limited	India	**100**	100
ii	Karnavati Aviation Private Limited	India	**100**	100
iii	MPSEZ Utilities Private Limited	India	**100**	100
iv	Mundra SEZ Textile and Apparel Park Private Limited	India	**55**	55
v	Adani Murmugao Port Terminal Private Limited	India	**100**	100
vi	Mundra International Airport Private Limited	India	**100**	100
vii	Adani Hazira Port Private Limited	India	**100**	100
viii	Adani Petronet (Dahej) Port Private Limited	India	**74**	74
ix	Hazira Infrastructure Private Limited	India	**100**	100
x	Madurai Infrastructure Private Limited (formerly known as Mundra LPG Infrastructure Private Limited)	India	**100**	100
xi	Adani Vizag Coal Terminal Private Limited	India	**100**	100
xii	Adani Kandla Bulk Terminal Private Limited (refer note (a) below)	India	**100**	100
xiii	Adani Warehousing Services Private Limited	India	**100**	100
xiv	Adani Ennore Container Terminal Private Limited	India	**100**	100
xv	Adani Hospitals Mundra Private Limited	India	**100**	100
xvi	The Dhamra Port Company Limited	India	**100**	100
xvii	Shanti Sagar International Dredging Private Limited	India	**100**	100
xviii	Abbot Point Operations Pty Limited	Australia	**100**	100
xix	Adani Vizhinjam Port Private Limited	India	**100**	100
xx	Adani Kattupalli Port Private Limited	India	**100**	100
xxi	Abbot Point Bulkcoal Pty Limited	Australia	**100**	100
xxii	The Adani Harbour Services Private Limited	India	**100**	100
xxiii	Dholera Infrastructure Private Limited (refer note 2.4)	India	**49**	49
xxiv	Dholera Port and Special Economic Zone Limited (refer note 2.4)	India	**100**	100
xxv	Adinath Polyfills Private Limited	India	**100**	100
xxvi	Mundra International Gateway Terminal Private Limited	India	**100**	100
xxvii	Adani International Terminals Pte. Limited	Singapore	**100**	100
xxviii	Blue Star Realtors Private Limited (acquired on April 26, 2018)	India	**100**	100
xxix	Adani Bhavanapadu Port Private Limited (incorporated on May 21, 2018)	India	**100**	100
xxx	Marine Infrastructure Developer Private Limited (acquired on June 28, 2018)	India	**97**	97
xxxi	Adani Mundra Port Holding Pte. Limited (incorporated on October 30, 2018)	Singapore	**100**	100
xxxii	Adani Mundra Port Pte. Limited (incorporated on January 03, 2019)	Singapore	**100**	100
xxxiii	Adani Abbot Port Pte. Limited (incorporated on January 03, 2019)	Singapore	**100**	100
xxxiv	Adani Yangon International Terminal Company Limited (Incorporated on February 22, 2019)	Myanmar	**100**	100
xxxv	Dermot Infracon Private Limited (acquired on March 25, 2019)	India	**100**	100
xxxvi	Adani Agri Logistics Limited (acquired on March 29, 2019)	India	**100**	100
xxxvii	Adani Agri Logistics (MP) Limited (acquired on March 29, 2019)	India	**100**	100
xxxviii	Adani Agri Logistics (Harda) Limited (acquired on March 29, 2019)	India	**100**	100
xxxix	Adani Agri Logistics (Hoshangabad) Limited (acquired on March 29, 2019)	India	**100**	100
xl	Adani Agri Logistics (Satna) Limited (acquired on March 29, 2019)	India	**100**	100
xli	Adani Agri Logistics (Ujjain) Limited (acquired on March 29, 2019)	India	**100**	100
xlii	Adani Agri Logistics (Dewas) Limited (acquired on March 29, 2019)	India	**100**	100
xliii	Adani Agri Logistics (Katihar) Limited (acquired on March 29, 2019)	India	**100**	100

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2020	Proportion of Ownership Interest (%) March 31, 2019
xliv	Adani Agri Logistics (Kotkapura) Limited (acquired on March 29, 2019)	India	**100**	100
xlv	Adani Agri Logistics (Kannauj) Limited (acquired on March 29, 2019)	India	**100**	100
xlvi	Adani Agri Logistics (Panipat) Limited (acquired on March 29, 2019)	India	**100**	100
xlvii	Adani Agri Logistics (Raman) Limited (acquired on March 29, 2019)	India	**100**	100
xlviii	Adani Agri Logistics (Nakodar) Limited (acquired on March 29, 2019)	India	**100**	100
xlix	Adani Agri Logistics (Barnala) Limited (acquired on March 29, 2019)	India	**100**	100
l	Adani Agri Logistics (Bathinda) Limited (acquired on March 29, 2019)	India	**100**	100
li	Adani Agri Logistics (Mansa) Limited (acquired on March 29, 2019)	India	**100**	100
lii	Adani Agri Logistics (Moga) Limited (acquired on March 29, 2019)	India	**100**	100
liii	Adani Agri Logistics (Borivali) Limited (acquired on March 29, 2019)	India	**100**	100
liv	Adani Agri Logistics (Dahod) Limited (acquired on March 29, 2019)	India	**100**	100
lv	Adani Agri Logistics (Dhamora) Limited (acquired on March 29, 2019)	India	**100**	100
lvi	Adani Agri Logistics (Samastipur) Limited (acquired on March 29, 2019)	India	**100**	100
lvii	Adani Agri Logistics (Darbhanga) Limited (acquired on March 29, 2019)	India	**100**	100
lviii	Adani Tracks Management Services Private Limited (incorporated on July 31, 2019)	India	**100**	-
lix	Dhamra Infrastructure Private Limited (formerly known as Welspun Orissa Steel Private Limited) (acquired on April 22, 2019)	India	**100**	-
lx	Adani Logistics Services Private Limited (formerly known as Innovative B2B Logistics Solutions Private Limited) (acquired on August 06, 2019)	India	**98.29**	-
lxi	Adani Noble Private Limited (formerly known as Noble Tradecon Private Limited) (acquired on August 06, 2019)	India	**98.29**	-
lxii	Adani Forwarding Agent Private Limited (formerly known as B2B Forwarding Agent Private Limited) (acquired on August 06, 2019)	India	**98.29**	-
lxiii	Adani Cargo Logistics Private Limited (formerly known as B2B Innovative Cargo Private Limited) (acquired on August 06, 2019)	India	**98.29**	-
lxiv	Adani Logistics Infrastructure Private Limited (formerly known as Minion Infrastructure Private Limited) (acquired on August 06, 2019)	India	**98.29**	-
lxv	Bowen Rail Operations Pte Limited (incorporated on December 11, 2019)	Singapore	**100**	-
lxvi	Adani Pipelines Private Limited (incorporated on December 12, 2019)	India	**100**	-
lxvii	Bowen Rail Company Pty Limited (incorporated on December 16, 2019)	Australia	**100**	-
lxviii	Adani Bangladesh Ports Private Limited (incorporated on February 17, 2019)	Bangladesh	**100**	-

Adani Ports and Special Economic Zone Limited's share in the voting power in joint venture entities as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2020	Proportion of Ownership Interest (%) March 31, 2019
i	Adani International Container Terminal Private Limited	India	**50**	50
ii	Adani CMA Mundra Terminal Private Limited	India	**50**	50
iii	Adani NYK Auto Logistics Solutions Private Limited (Incorporated on September 17, 2018)	India	**51**	51
iv	Adani Total Private Limited (Formerly known as Adani Petroleum Terminal Private Limited)*	India	**50**	100
v	Dhamra LNG Terminal Private Limited #	India	**50**	100
vi	Total Adani Fuels Marketing Private Limited (incorporated on October 22, 2019) #	India	**50**	-

* Subsidiary Company became joint venture during the current year

These companies are subsidiaries of Adani Total Private Limited

Note a) :

During the year 2016-17, the Company has accounted for purchase of 3,12,13,000 numbers of equity shares in Adani Kandla Bulk Terminal Private Limited at consideration of ₹ 312.1 Million. The equity shares have been purchased from the Adani Enterprises Limited, a group company whereby this entity has become a wholly owned subsidiary. As per the management, the transfer has been recorded based on Irrevocable Letter of Affirmation dated March 31, 2017 from the seller and acceptance by the Company although legal transfer of equity share of Adani Kandla Bulk Terminal Private Limited is still in process at year end.

31 Related Party Disclosures

Related parties with whom transactions have taken place.

Joint Venture Entities	Adani International Container Terminal Private Limited Adani CMA Mundra Terminal Private Limited Adani NYK Auto Logistics Solutions Private Limited Adani Total Private Limited ("ATPL") (w.e.f December 31, 2019) Dhamra LNG Terminal Private Limited (Subsidiary of ATPL) (w.e.f December 31, 2019)
Key Management Personnel and their relatives	Mr. Gautam S. Adani - Chairman and Managing Director Mr. Rajesh S. Adani - Director and Brother of Mr. Gautam S. Adani Mr. Karan G. Adani - Chief Executive Officer and son of Mr. Gautam S. Adani Dr. Malay Mahadevia - Wholetime Director Prof. G. Raghuram - Non-Executive Director Mr. Sanjay S. Lalbhai - Non-Executive Director (upto August 08, 2019) Ms. Radhika Haribhakti - Non-Executive Director (Upto March 31, 2020) Mr. Mukesh Kumar - Non-Executive Director (w.e.f October 23, 2018) Ms. Nirupama Rao - Non-Executive Director (w.e.f April 22, 2019) Mr. Bharat Sheth - Non-Executive Director (w.e.f October 15, 2019) Mr. Gopal Krishna Pillai - Non-Executive Director Mr. Deepak Maheshwari - Chief Financial Officer (w.e.f May 03, 2018) Ms. Dipti Shah - Company Secretary (upto July 31, 2018) Kamlesh Bhagia - Company Secretary (w.e.f August 06, 2018)
Entities over which (i) Key Management Personnel and their relatives & (ii) entities having significant influence over the Company have control or are under significant influence through voting powers	Abbot Point Port Holdings Pte Limited, Singapore Adani Foundation Adani Properties Private Limited Delhi Golf Link Properties Private Limited Adani Townships and Real Estate Company Private Limited Mundra Port Pty Limited, Australia Adani Infrastructure and Developers Private Limited Adani Mundra SEZ Infrastructure Private Limited Shanti Builders Adani Bunkering Private Limited Adani Enterprises Limited Adani Green Energy Limited Adani Green Energy (UP) Limited Adani Gas Limited Adani Trading Service LLP Adani Global FZE Adani Infra (India) Limited Adani Road Transport Limited Adani Infrastructure Management Services Limited Adani Power Dahej Limited Adani Power (Mundra) Limited Adani Power Limited Adani Power Maharashtra Limited Maharashtra Eastern Grid Power Transmission Company Limited Adani Power Rajasthan Limited Adani Wilmar Limited Kutch Power Generation Limited Belvedere Golf and Country Club Private Limited Vishakha Renewable Private Limited Adani-Elbit Advanced Systems India Limited Sunanda Agri Trade Private Limited Adani Skill Development Centre Adani Electricity Mumbai Limited

Related parties with whom transactions have taken place (Continue)

Entities over which (i) Key Management Personnel and their relatives & (ii) entities having significant influence over the Company have control or are under significant influence through voting powers	Shantigram Estate Management Private Limited Adani Global Pte Limited, Singapore Adani Renewable Energy (KA) Limited Parampujya Solar Energy Private Limited Golden Valley Agrotech Private Limited Wardha Solar (Maharashtra) Private Limited Adani Finserve Private Limited Vishakha Solar Films Private Limited Adani Estate Management Private Limited Adani Power (Jharkhand) Limited Mundra LPG Terminal Private Limited Adani Dhamra LPG Terminal Private Limited Talabira (Odisha) Mining Private Limited Adani Institute for Education and Research Shantigram Utility Services Private Limited Adani Capital Private Limited Adani Renewable Energy (RJ) Limited Adani Sportsline Private Limited Raigarh Energy Generation Limited Prayatna Developers Private Limited Udupi Power Corporation Limited North West Rail Pty Limited Mundra Synenergy Limited Raipur Energen Limited Prayagraj Water Private Limited Adani Cementation Limited Mundra Solar PV Limited Mundra Solar Technopark Private Limited

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Terms and conditions of transactions with related parties

Outstanding balances of the related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note:

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.

Aggregate of transactions for the year ended and balances thereof with these parties have been given below

(A) Transactions with Related Parties

₹ In Million

Sr No	Particulars	For the Year Ended	With Joint Ventures	With Other Entities*	Key Management Personnel and their relatives
1	Income from Port Services / Other Operating Income	**March 31, 2020**	**4,385.2**	**11,996.6**	**-**
		March 31, 2019	4,291.5	10,043.9	-
2	Sale of Non Financial Assets	**March 31, 2020**	-	**5,841.8**	**-**
		March 31, 2019	-	1,846.2	-
3	Lease including Infrastructure Usage Income/ Upfront Premium (Includes Reversal)	**March 31, 2020**	**168.2**	**948.6**	**-**
		March 31, 2019	114.4	2,346.1	-
4	Interest Income on loans/ deposits/deferred accounts receivable	**March 31, 2020**	**1,004.0**	**778.6**	**-**
		March 31, 2019	1,331.6	1,060.8	-
5	Purchase of Spares and consumables, Power & Fuel	**March 31, 2020**	**0.2**	**1,304.3**	**-**
		March 31, 2019	-	948.2	-
6	Recovery of expenses (Reimbursement)	**March 31, 2020**	**789.4**	**0.0**	**-**
		March 31, 2019	738.1	0.1	-
7	Services Availed (including reimbursement of expenses)	**March 31, 2020**	**47.1**	**1,205.8**	**-**
		March 31, 2019	53.7	1,011.0	-
8	Rent charges paid	**March 31, 2020**	**-**	**82.5**	**-**
		March 31, 2019	-	82.2	-
9	Sales of Scrap and other Miscellaneous Income	**March 31, 2020**	**28.5**	**482.4**	**-**
		March 31, 2019	2.6	154.7	-
10	Loans Given	**March 31, 2020**	**1,000.0**	**1.0**	**-**
		March 31, 2019	2,808.0	14.0	-
11	Loans Received back	**March 31, 2020**	**3,680.0**	**15.0**	**-**
		March 31, 2019	316.1	-	-
12	Advance / Deposit Given	**March 31, 2020**	**-**	**516.0**	**-**
		March 31, 2019	-	1,257.5	-
13	Advance / Deposit Received Back	**March 31, 2020**	**1,374.3**	-*	**-**
		March 31, 2019	-	1,100.0	-
14	Investment in equity/preference shares	**March 31, 2020**	**-**	**-**	**-**
		March 31, 2019	30.6	-	-
15	Purchase of Subsidiaries	**March 31, 2020**	**-**	**-**	**-**
		March 31, 2019	-	9,657.0	-
16	Donation	**March 31, 2020**	**-**	**701.1**	**-**
		March 31, 2019	-	596.5	-
17	Purchase of property/asset/land use rights	**March 31, 2020**	**-**	**399.6**	**-**
		March 31, 2019	-	-	-
18	Remuneration	**March 31, 2020**	**-**	**-**	**223.8**
		March 31, 2019	-	-	191.9
19	Commission to Director	**March 31, 2020**	**-**	**-**	**10.0**
		March 31, 2019	-	-	10.0
20	Commission to Non-Executive Director	**March 31, 2020**	**-**	**-**	**6.3**
		March 31, 2019	-	-	3.6
21	Sitting Fees	**March 31, 2020**	**-**	**-**	**3.8**
		March 31, 2019	-	-	2.7
22	Corporate Guarantee Given	**March 31, 2020**	**USD 120.35 Mn**	**-**	
		March 31, 2019	-	-	

-* Figures being nullified on conversion to ₹ in Million.

(B) Balances with Related Parties

₹ In Million

Sr No	Particulars	As at	With Joint Ventures	With Other Entities*	Key Management Personnel and their relatives
1	Trade Receivable (net of bills discounted, refer note 5 (c))	**March 31, 2020**	**1,499.3**	**9,185.7**	**-**
		March 31, 2019	760.2	8,758.0	-
2	Loans	**March 31, 2020**	**13,323.7**	**18.5**	**-**
		March 31, 2019	14,890.4	32.5	-
3	Capital Advances	**March 31, 2020**	**0.9**	**219.9**	**-**
		March 31, 2019	0.9	297.5	-
4	Trade Payable (including provisions)	**March 31, 2020**	**26.4**	**525.2**	**-**
		March 31, 2019	31.7	235.7	-
5	Advances and Deposits from Customer/ Sale of Assets	**March 31, 2020**	**40.4**	**114.8**	**-**
		March 31, 2019	36.8	140.4	-
6	Other Financial & Non-Financial Assets	**March 31, 2020**	**1,808.3**	**8,740.8**	**-**
		March 31, 2019	653.9	16,115.0	-
7	Other Financial & Non-Financial Liabilities	**March 31, 2020**	**3,435.9**	**534.2**	**-**
		March 31, 2019	-	734.6	-
8	Corporate Guarantee	**March 31, 2020**	**USD 102.40 Mn**	**-**	**-**
		March 31, 2019	USD 21.45 Mn	-	-

* Entities over which (i) Key Management Personnel and their relatives & (ii) entities having significant influence over the Company have control or are under significant influence through voting powers.

Notes:

a) The Group has allowed to some of its joint venture entities and other group company to avail non fund based facilities out of its credit facilities. The aggregate of such transaction amounts to ₹ 8,595.9 Million (Previous year ₹ 11,523.3 Million)

b) Pass through transactions/payable relating to railway freight, water front charges and other payable to third parties have not been considered for the purpose of related party disclosure.

c) Other Financial & Non-Financial Assets does not include present value of future lease receivable amounting to ₹ 11,079.8 Million (Previous year ₹ 10,736.3 Million) accounted as per Ind AS 116 / Ind AS 17 - Leases.

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32 The Group takes various types of derivative instruments. The category-wise outstanding position of derivative instruments is as under:

Nature	Particulars of Derivatives		Purpose
	As at March 31, 2020	As at March 31, 2019	
INR - Foreign Currency Swap	**-**	USD 216 Million (₹ 14,937.5 Million)	Hedging of equivalent INR borrowings to mitigate higher interest rate of INR borrowings as against the foreign currency loans with possible risk of principal currency losses.
Forward Contract	**-**	USD 156.50 Million	Hedging of expected future billing based on foreign currency denominated tariff
	USD 140.07 Million	USD 77.61 Million	Hedging of foreign currency borrowing principal & interest liability
	-	USD 133.26 Million	Hedging of foreign currency LC / Buyer's Credit
	-	EUR 3.30 Million	Hedging of foreign currency borrowing principal and interest liability
	USD 46 Million	USD 56 Million	Hedging of foreign currency borrowing principal liability of USD against JPY
Foreign Currency - INR Full Currency Swap	USD 111.38 Million	USD 111.38 Million	Hedging of currency and interest rate risk of foreign currency borrowing

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

Nature	As at March 31, 2020		As at March 31, 2019	
	Amount (₹ In Million)	**Foreign Currency (in Million)**	Amount (₹ In Million)	Foreign Currency (in Million)
Foreign Currency Loan	**1,968.8**	**USD 26.02**	13,288.2	USD 192.15
	7,663.5	**EUR 92.59**	8,197.4	EUR 105.54
Buyer's Credit	**-**	**-**	2,823.7	USD 40.83
	614.1	**JPY 882.00**	-	-
	-	**-**	87.5	EUR 1.13
Trade Payables and Other Current Liabilities	**1,539.9**	**USD 20.35**	1,123.4	USD 16.24
	170.3	**EUR 2.06**	9.3	EUR 0.12
	-	**-**	5.8	JPY 9.34
	2.6	**SGD 0.05**	18.3	SGD 0.36
	0.1	**GBP #**	0.2	GBP #
Interest accrued but not due	**1,378.0**	**USD 18.21**	76.5	USD 1.11
	15.7	**EUR 0.19**	18.3	EUR 0.24
	0.4	**JPY 0.56**	-	-
Balances with Bank	**3.0**	**USD 0.04**	-	-
Trade Receivable	**24.1**	**USD 0.32**	390.0	USD 5.64
Other Receivable	**52.6**	**AUD 1.14**	841.7	AUD 17.17
	508.2	**USD 6.72**	264.5	USD 3.82
	0.6	**EUR 0.01**	*	EUR #
	0.3	**JPY 0.40**	-	-
Foreign Currency Bond	**173,168.8**	**USD 2,288.63**	106,403.6	USD 1,538.63
Loan Given	**5,035.5**	**USD 66.55**	4,602.3	USD 66.55

Figures being nullified on conversion to foreign currency in million.
* Figures being nullified on conversion to ₹ in Million.

Closing rates as at

	March 31, 2020	March 31, 2019
INR / USD	**75.67**	69.15
INR / EUR	**82.77**	77.67
INR / GBP	**93.50**	90.53
INR / JPY	**0.70**	0.62
INR / AUD	**46.08**	49.02
INR / SGD	**53.03**	51.04

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

33.1 Category-wise Classification of Financial Instruments:

₹ in Million

Particulars	Refer Note	As at March 31, 2020			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	71,954.6	71,954.6
Bank balances other than cash and cash equivalents	7,11	-	-	1,253.0	1,253.0
Investments in unquoted Equity Shares (other than investment in Joint Venture entities and associate entity)	4 (b)	2,787.6	-	-	2,787.6
Investment in debt instrument of joint venture entity	4 (b)	-	613.4	-	613.4
Investments in unquoted Mutual Funds	10	-	118.9	-	118.9
Trade Receivables (including bill discounted)	5	-	-	32,021.4	32,021.4
Loans	6	-	-	31,172.5	31,172.5
Derivatives Instruments	7	-	1,202.4	-	1,202.4
Other Financial Assets	7	-	-	59,187.1	59,187.1
Total		**2,787.6**	**1,934.7**	**195,588.6**	**200,310.9**
Financial Liabilities					
Borrowings (including the bills discounted and current maturities)	14,15,17	-	-	300,757.9	300,757.9
Trade Payables	18	-	-	7,287.4	7,287.4
Financial Guarantee given	15	-	-	49.8	49.8
Lease Liabilities	15	-	-	6,063.3	6,063.3
Other Financial Liabilities	15	-	-	17,218.7	17,218.7
Total		**-**	**-**	**331,377.1**	**331,377.1**

₹ in Million

Particulars	Refer Note	As at March 31, 2019			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets					
Cash and cash equivalents	11	-	-	47,981.9	47,981.9
Bank balances other than cash and cash equivalents	7,11	-	-	11,790.4	11,790.4
Investments in unquoted Equity Shares (other than investment in Joint Venture Entities and associate entity)	4 (b)	2,654.9	-	-	2,654.9
Investments in unquoted Mutual Funds	10	-	265.1	-	265.1
Investments in unquoted Debentures, Commercial Papers and Government Securities	4,10	-	-	4,873.0	4,873.0
Trade Receivables (including bill discounted)	5	-	-	27,896.6	27,896.6
Loans	6	-	-	27,671.5	27,671.5
Derivative Instruments	7	-	725.7	-	725.7
Other Financial Assets	7	-	-	64,174.3	64,174.3
Total		**2,654.9**	**990.8**	**184,387.7**	**188,033.4**
Financial Liabilities					
Borrowings (including the bills discounted and current maturities)	14,15,17	-	-	275,456.6	275,456.6
Trade Payables	18	-	-	5,720.7	5,720.7
Derivative Instruments	15	-	471.9	-	471.9
Financial Guarantee given	15	-	-	12.2	12.2
Lease Liabilities	15	-	-	552.8	552.8
Other Financial Liabilities	15	-	-	14,875.6	14,875.6
Total		**-**	**471.9**	**296,617.9**	**297,089.8**

Note:- Investments in joint ventures, accounted using equity method, amounting to ₹ 8,260.1 Million (previous year ₹ 30 Million) are not included in above tables.

33.2 Fair Value Measurements:

(a) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities:

₹ in Million

Particulars	As at March 31, 2020			As at March 31, 2019		
	Significant observable Inputs (Level 2)	**Significant unobservable Inputs (Level 3)**	**Total**	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	Total
Financial Assets						
Investment in unquoted Equity Investments measured at FVTOCI (refer note 4)	**-**	**2,787.6**	**2,787.6**	-	2,654.9	2,654.9
Investment in debt instrument of joint venture entity (refer note 4)	**613.4**	**-**	**613.4**	-	-	-
Investments in unquoted Mutual Funds measured at FVTPL (refer note 10)	**118.9**	**-**	**118.9**	265.1	-	265.1
Derivative Instruments (refer note 7)	**1,202.4**	**-**	**1,202.4**	725.7	-	725.7
Total	**1,934.7**	**2,787.6**	**4,722.3**	990.8	2,654.9	3,645.7
Financial Liabilities						
Derivative Instruments (refer note 15)	**-**	**-**	**-**	471.9	-	471.9
Total	**-**	**-**	**-**	471.9	-	471.9

(b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2020 and March 31, 2019 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares	DCF Method	Weighted Average Cost of Capital (WACC)	March 31, 2020 : 12.99% - 18.50% (15.55%) March 31, 2019 : 12.12% - 16.23% (14.18%)	1% increase would result in decrease in fair value by ₹ 137.0 Million as of March 31, 2020 (₹ 107.1 Million as of March 31, 2019)

(c) 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 Group management does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

33.3 Financial Risk objective and policies

The Group's principal financial liabilities, other than derivatives comprises of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations/projects and to provide guarantees to support Group's operations and its joint venture entities. The Group's principal financial assets include loans, investments including mutual funds, trade and other receivables, and cash and cash equivalents which is derived from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

In the ordinary course of business, the Group 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 Group'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 cross currency swaps, full currency swaps, interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduces the impact of both favourable and unfavourable fluctuations.

The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's Central Treasury Team ensures appropriate financial risk governance framework for the Group through appropriate policies & procedures and financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group'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 Group 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 end, the MTM for each derivative instrument outstanding is obtained from respective banks. All gain / loss arising from MTM for open derivative contracts and gain / loss on settlement / cancellation / roll over of derivative contracts is recorded in statement of profit and loss.

(A) Market risk

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

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

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

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

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

(i) Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

Interest rate sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended March 31, 2020 would decrease / increase by ₹ 257.4 Million (for the year ended March 31, 2019 : decrease / increase by ₹ 212.7 Million). This is mainly attributable to interest rates on variable rate of long term borrowings.

(ii) Foreign currency risk

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

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

₹ in Million

Particulars	Impact on Profit before Tax		Impact on Pre-tax Equity	
	For the year ended		For the year ended	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
USD Sensitivity				
₹/USD - Increase by 1%	**(1,705.2)**	(634.0)	**(1,705.2)**	(634.0)
₹/USD - Decrease by 1%	1,705.2	634.0	**1,705.2**	634.0
EURO Sensitivity				
₹/EURO - Increase by 1%	**(65.8)**	(68.6)	**(65.8)**	(68.6)
₹/EURO - Decrease by 1%	65.8	68.6	**65.8**	68.6
GBP Sensitivity				
₹/GBP - Increase by 1%	**-***	-*	**-***	-*
₹/GBP - Decrease by 1%	**-***	-*	**-***	-*
SGD Sensitivity				
₹/SGD - Increase by 1%	**-***	(0.2)	**-***	(0.2)
₹/SGD - Decrease by 1%	**-***	0.2	**-***	0.2
JPY Sensitivity				
₹/JPY- Increase by 1%	**(6.1)**	(0.1)	**(6.1)**	(0.1)
₹/JPY - Decrease by 1%	**6.1**	0.1	**6.1**	0.1
AUD Sensitivity				
₹/AUD- Increase by 1%	**0.5**	8.4	**0.5**	8.4
₹/AUD - Decrease by 1%	**(0.5)**	(8.4)	**(0.5)**	(8.4)

-* Figures being nullified on conversion to ₹ in Million

(iii) Equity price risk

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

The Company has given corporate guarantees and pledged part of its investment in equity in order to fulfil the collateral requirements of the subsidiaries and joint venture entities. The counterparties have an obligation to return the guarantees/ securities to the Company. There are no other significant terms and conditions associated with the use of collateral.

(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 loans to others, deposits with banks and financial institutions & others, foreign exchange transactions and other financial assets.

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

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

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

Concentrations of Credit Risk form part of Credit Risk

Considering that the group operates the port services and provide related infrastructure services, the group is significantly dependent on cargo from such large port user customer located at various ports. Out of total revenue, the Company earns 15% revenue (previous year 21%) from such customers and with some of these customers, the group has long term cargo contracts . Receivables from such customer constitute 46% of total trade receivables (previous year 39%) . A loss of these customer could adversely affect the operating result or cash flow of the Group.

(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 analyses 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 Million

Particulars	Refer Note	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2020					
Borrowings (including the bills discounted)	14,15,17	38,944.6	130,091.5	131,721.8	300,757.9
Trade Payables	18	7,287.4	-	-	7,287.4
Financial Guarantees given	15	16.5	33.3	-	49.8
Lease Liabilities	15	390.5	982.7	4,690.1	6,063.3
Other Financial Liabilities	15	15,581.5	1,637.2	-	17,218.7
Total		**62,220.5**	**132,744.7**	**136,411.9**	**331,377.1**
As at March 31, 2019					
Borrowings (including the bills discounted)	14,15,17	76,623.4	116,714.9	82,118.3	275,456.6
Trade Payables	18	5,720.7	-	-	5,720.7
Derivatives Instruments	15	363.1	108.8	-	471.9
Financial Guarantees given	15	6.6	5.6	-	12.2
Lease Liabilities	15	33.2	122.1	397.5	552.8
Other Financial Liabilities	15	13,849.1	1,026.5	-	14,875.6
Total		**96,596.1**	**117,977.9**	**82,515.8**	**297,089.8**

33.4 Capital Management

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

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

₹ in Million

Particulars	March 31, 2020	March 31, 2019
Total Borrowings (refer note 14,15 and 17) (including the bills discounted)	**300,757.9**	275,456.6
Less: Cash and bank balance (refer note 7,11)	**73,207.6**	59,772.3
Net Debt (A)	**227,550.3**	215,684.3
Total Equity (B)	**256,234.9**	245,382.0
Total Equity and Net Debt (C = A + B)	**483,785.2**	461,066.3
Gearing ratio	**47%**	47%

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

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

34 Capital Commitments and other commitments

(i) Capital Commitments

Estimated amount of contracts (net of security deposits amounting to ₹ 26,824.5 Million (previous year ₹ 23,574.5 Million) included in note 7 and advances) remaining to be executed on capital account and not provided for ₹ 129,399.2 Million (previous year ₹ 171,463.7 Million) pertains to various projects to be executed during the next 5 years.

(ii) Other Commitments

a) The port projects of subsidiary companies viz. The Dhamra Port Company Limited ("DPCL") and joint venture Adani International Container Terminal Private Limited ("AICTPL") have been funded through various credit facility agreements with banks. Against the said facilities availed by the aforesaid entities from the banks, the Company has pledged its shareholding in the subsidiary / joint venture companies and executed Non Disposal Undertaking, the details of which is tabulated below :-

The details of shareholding pledged by the Company is as follows :

Name of Subsidiaries / Joint Ventures	% of Non disposal undertaking (Apart from pledged)		% of Share Pledged of the total shareholding of investee company	
	As on March 31, 2020	As on March 31, 2019	**As on March 31, 2020**	As on March 31, 2019
Adani International Container Terminal Private Limited	**24.97%**	24.97%	**25.03%**	25.03%
The Dhamra Port Company Limited	**-**	21.00%	**30.00%**	30.00%

b) Contract/ Commitment for purchase of certain supplies. Advance given ₹ 3,569.5 Million (previous year ₹ 3,569.5 Million).

c) The subsidiary companies have imported capital goods for its Container and Multipurpose Port Terminal Project under the EPCG Scheme at concessional rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 10,252.6 Million (previous year ₹ 13,311.5 Million) which is equivalent to 6 to 8 times of duty saved ₹ 1,670.4 Million (previous year ₹ 2,180.3 Million) . The export obligation has to be completed by 2020-21 to 2025-26.

d) One of the subsidiary company has entered into agreement in financial year 2013-14 to acquire land measuring 85,553 square meter in the Hazira region and an advance consideration of ₹ 182.3 Million paid towards the land has been classified as capital advance. The AHPPL has entered into agreement to acquire additional land measuring 933 acre in the Patan and Hazira region and an advance consideration of ₹ 358.5 Million paid towards the land classified as capital advance respectively. As at March 31, 2020, the AHPPL does not have physical possession of the said land, although it has contractual right in the said land parcels. The management represent that land area and location are identifiable and the transaction will be concluded on receiving necessary government approvals.

e) As a part of Environmental Clearance obtained by the Vizhinjam International Sea Port Limited (VISL or 'the Authority'), the AVPPL has been obliged to incur expenditure of ₹ 337.0 Million towards 'Corporate Social Responsibility' along with development of Port Infrastructure under Phase - I and the same is included under the total Project cost. Out of total commitment of ₹ 337.0 Million, the AVPPL has incurred ₹ 99.1 Million till March 31, 2020.

35 Contingent Liabilities not provided for

₹ In Million

Sr. No.	Particulars	**March 31, 2020**	March 31, 2019
a	Corporate Guarantees given to banks and financial institutions against credit facilities availed by the joint venture entities.	**7,747.6**	1,463.3
b	Bank Guarantees and Letter of Credit facilities availed by the joint venture entities and other group company against credit facilities sanctioned to the company.	**8,595.9**	11,523.3
c	Bank Guarantees given to government authorities and bank (also includes DSRA bank guarantees given to Bank on behalf of subsidiaries and erstwhile subsidiaries.)	**3,528.3**	1,733.7
d	Civil suits filed by the Customers for recovery of damages against certain performance obligations. The said civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	**9.4**	9.4
e	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of ₹ 0.5 Million (previous year ₹ 0.5 Million) against the demand. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	**1.4**	1.4
f	Customs department notice for wrongly availing duty benefit exemption under DFCEC Scheme on import of equipment. The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Commissioner of Customs, Mumbai against order in original. The management is of view that no liability shall arise on the Company.	**2.5**	2.5

₹ In Million

Sr. No.	Particulars	March 31, 2020	March 31, 2019
g	Various show cause notices received from Commissioner/ Additional Commissioner/ Joint Commissioner/ Deputy Commissioner of Customs and Central Excise, Rajkot and Commissioner of Service Tax, Ahmedabad and appeal there of, for wrongly availing of Cenvat credit/ Service tax credit and Education Cess credit on input services and steel, cement and other fixed assets during financial year 2006-07 to 2014-15. In similar matter, the Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of ₹ 45.0 Million (previous Year ₹ 45.0 Million) against the demand. These matters are pending before the Supreme Court, the High Court of Gujarat, Commissioner of Central Excise (Appeals), Rajkot and Commissioner of Service Tax, Ahmedabad. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company. Further, during the earlier year, the Company has received favourable order from High Court of Gujarat against demand in respect of dispute relating to financial year 2005-06 and favourable order from CESTAT against similar demand in respect of dispute relating to FY 2005-06 to FY 2010 -11 (up to Sept 2011). (refer note (u) below)	**326.3**	364.9
h	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot and appeal thereof in respect of levy of service tax on various services provided by the Company and wrong availment of CENVAT credit by the Company during financial year 2009-10 to 2011-12. These matters are currently pending at High Court of Gujarat ₹ 67.2 Million (previous Year ₹ 67.2 Million); and Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹ 1.5 Million (previous Year ₹ 1.5 Million) and Commissioner of Service Tax Ahmedabad ₹ 0.3 Million (previous Year ₹ 0.3 Million). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	**69.0**	69.0
i	Commissioner of Customs, Ahmedabad has demanded vide letter no.4/Comm./SIIB/2009 dated 25/11//2009 for recovery of penalty in connection with import of Air Craft which is owned by Karnavati Aviation Private Limited (Formerly Gujarat Adani Aviation Private Limited.), subsidiary of the Company. Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the demand order, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	**20.0**	20.0
j	In terms of the Show Cause Notice issued to a subsidiary company by the Office of the Commissioner of Customs for a demand of ₹ 183.3 Million along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Bombardier Challenger Cl-600 under Non-Scheduled Operation Permit (NSOP) has been raised on the Company.	**183.3**	183.3
k	In terms of the Show Cause cum Demand Notice issued to subsidiary company by the Office of the Commissioner of Customs Preventive Section dated 27/02/2009, a demand of ₹ 146.7 Million along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Aircraft Hawker 850 XP under Non-Scheduled Operation Permit (NSOP) has been raised on the Company.	**145.3**	145.3
l	Notice received from Superintendent / Commissioner of Service Tax Department and show cause from Directorate General of Central Excise Intelligence for wrong availing of Cenvat Credit /Service tax credit and Education Cess on input services, steel and cement on some of the subsidiary companies. The management is of the view that no liability shall arise on the subsidiaries companies. (refer note (u) below)	**161.6**	998.6

₹ In Million

Sr. No.	Particulars	March 31, 2020	March 31, 2019
m	Show cause notice received from Directorate General of Central Excise Intelligence for Non-Payment of Service Tax on Domestic Journey and on certain Foreign Service on reverse charge mechanism amounting to ₹ 30.3 Million. The subsidiary company had filed appeal with Commissioner of Service Tax & received order for the same. The subsidiary company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the order of Commissioner for confirmation of tax liability of ₹ 37.1 Million (including Penalty). The subsidiary company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise. The subsidiary company has paid ₹ 3.5 Million under protest.	**37.1**	37.1
n	During the previous year, the subsidiary company had received an adjudication order from Additional Superintendent from Stamps, demanding stamp duty of ₹ 221.6 Million, under the provisions of the Gujarat Stamps Act, 1950 ('the Act'), payable on acquisition of Marine Business Undertaking pursuant to the scheme of arrangement approved by the National Company Law Tribunal (NCLT). Against the said order the subsidiary company has filed an appeal with the Chief Controlling Revenue Authority and received the order of ₹ 44.3 Million against the earlier demand. As at reporting date the subsidiary company has provided the liability of ₹ 44.3 Million and amount deposited of ₹ 55.4 Million under the protest which is subject to refund of ₹ 11.1 Million as per the order from the Chief Controlling Revenue Authority.	**-**	177.3
o	The subsidiary company has received demand notice of ₹ 18.2 Million (including Penalty of ₹ 15.1 Million) from Government of Andhra Pradesh, Department of Mines and Geology for evasion of Seigniorage fee of ₹ 3.0 Million on utilization of Earth / Gravel in development of East Quay – 1 (EQ-1) in Vishakhapatnam Port Trust. The subsidiary company has paid ₹ 6.1 Million and settle the liability as per revised order received based on our revision petition.	**-**	18.2
p	Revenue sharing on the storage income of subsidiary company as per concession arrangement for the Financial Year 2017-2018 & 2018- 2019. (refer note 40(b))	**-**	460.1
q	Various matters of subsidiaries companies pending with Income Tax Authorities.	**57.1**	60.5
r	Claims not acknowledged as debts.	**39.4**	4.6
s	Matter of some of the subsidiary companies pending with Food Corporation of India relating to fulfillment of Condition Precedents as per concession agreement.	**24.3**	-
t	The Company's tax assessments is completed till assessment year 2016-17, pending appeals with Appellate Tribunal for Assessment Year 2011-12 and CIT (Appeals) for Assessment Year 2013-14 to 2016-17. During the year, the Company has received a favourable order from CIT(Appeals) for assessment year 2012-13. During the previous year, the Company has received a favourable order from Appellate Tribunal for assessment year 2009-10 and 2010-11. The management is reasonably confident that no liability will devolve on the Company.	**1,258.0**	1,073.5
u	During the current Financial Year, an Amnesty Scheme, Sabka Vishwas Legacy Dispute Resolution Scheme has been introduced by the Central Government to settle pending litigations under Central Excise & Service Tax Law. Any Tax amount payable under the Scheme is required to be paid by cash and cannot be paid by utilizing the ITC balance and litigations once settled under this Scheme shall never be reopened from either side. The Group has opted for the said scheme and accordingly the Group has settled pending litigations amounting to ₹ 1,126.9 Million (including SCNs received in the current year ₹ 228.0 Million).		
v	Matter of one of the acquired subsidiary company pending with Central Warehousing Corporation amounting to ₹ 101.4 Million in respect of which previous promoter has agreed to indemnify the Group in case of any liability arises out the same.		

36 Interest in a joint Venture Entities

The Company holds 50% interest in Adani International Container Terminal Private Limited, Adani CMA Mundra Terminal Private Limited and Adani Total Private Limited respectively and 51% in Adani NYK Auto Logistics Solutions Private Limited, joint venture entities incorporated in India.

(A) Summarised Balance Sheet and Statement of Profit and Loss of these entities are as below:

₹ In Million

Particulars	Adani CMA Mundra Terminal Private Limited		Adani International Container Terminal Private Limited	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Share Capital and Reserve & Surplus	**(1,613.5)**	(629.8)	**1,557.3**	4,320.6
Non-current Liabilities	**13,843.1**	16,123.7	**29,681.8**	34,945.6
Current Liabilities	**8,473.5**	5,465.5	**9,882.2**	3,221.7
Non-current Assets	**19,346.8**	20,283.1	**38,634.5**	40,938.1
Current Assets	**1,356.3**	676.3	**2,486.8**	1,549.8
Revenue	**4,666.8**	3,696.3	**9,380.6**	9,202.4
Operating Expenses	**(1,180.2)**	(955.0)	**(2,215.9)**	(2,219.4)
Terminal Royalty Expenses	**(556.2)**	(442.9)	**(1,617.7)**	(1,858.4)
Employee Benefit Expenses	**(78.0)**	(68.3)	**(140.2)**	(128.3)
Depreciation and Amortisation Expense	**(1,281.1)**	(1,159.9)	**(2,431.5)**	(2,427.0)
Foreign Exchange (loss)/Gain (net)	**(1,064.5)**	(753.8)	**(2,557.1)**	(1,406.8)
Finance Costs	**(1,387.5)**	(1,289.9)	**(2,248.1)**	(2,061.0)
Other Expenses	**(102.0)**	(134.4)	**(297.7)**	(289.3)
Profit / (Loss) before tax	**(982.7)**	(1,107.9)	**(2,127.6)**	(1,187.8)
Income-tax expense	**-**	-	**(634.4)**	(825.9)
Profit / (Loss) after tax	**(982.7)**	(1,107.9)	**(2,762.0)**	(2,013.7)
Other Comprehensive income	**(1.0)**	(1.2)	**(1.3)**	(2.0)
Total Comprehensive Income	**(983.7)**	(1,109.1)	**(2,763.3)**	(2,015.7)
Capital and Other Commitments	**56.5**	66.9	**110.4**	13.4
Contingent liability not accounted for	-	-	**113.8**	46.8

₹ In Million

Particulars	Adani NYK Auto Logistics Solutions Private Limited		Adani Total Private Limited (Consolidated)
	March 31, 2020	March 31, 2019	**March 31, 2020**
Share Capital and Reserve & Surplus	**51.7**	58.8	**6,690.0**
Non-current Liabilities	**115.5**	-	**13,877.9**
Current Liabilities	**41.3**	0.2	**1,909.7**
Non-current Assets	**156.3**	30.0	**20,738.2**
Current Assets	**52.2**	29.0	**1,739.4**
	-	-	**-**
Revenue	**28.1**	0.5	**42.7**
Operating Expenses	**(25.1)**	-	**-**
Employee Benefit Expenses	**-**	-	**(7.5)**
Depreciation and Amortisation Expense	**(5.1)**	-	**(0.1)**
Finance Costs	**(3.4)**	-	**(70.3)**
Other Expenses	**(0.2)**	(0.7)	**(58.3)**
Profit / (Loss) before tax	**(5.7)**	(0.2)	**(93.5)**
Income-tax expense	**(1.4)**	(0.1)	**19.6**
Profit / (Loss) after tax	**(7.1)**	(0.3)	**(73.9)**
Other Comprehensive income	**-**	-	**(343.6)**
Total Comprehensive Income	**(7.1)**	(0.3)	**(417.5)**
Capital and Other Commitments	**-**	**-**	**25,570.9**
Contingent liability not accounted for	**-**	**-**	**-**

(B) Reconciliation of carrying amounts of joint ventures

₹ In Million

Particulars	Adani CMA Mundra Terminal Private Limited		Adani International Container Terminal Private Limited	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Net assets of joint venture entities	**(1,613.5)**	(629.8)	**1,557.3**	4,320.6
Proportion of Group's share	**50%**	50%	**50%**	50%
Group's share	**(806.7)**	(314.9)	**778.6**	2,160.3
Fair valuation adjustment	**-**	-	**-**	-
Elimination from intra-group transactions	**806.7**	314.9	**(778.6)**	(2,160.3)
Carrying amount of Group's interest (refer note 4(a))	**-**	-	**-**	-

₹ In Million

Particulars	Adani NYK Auto Logistics Solutions Private Limited		Adani Total Private Limited (Consolidated)
	March 31, 2020	March 31, 2019	**March 31, 2020**
Net assets of joint venture entities	**51.7**	58.8	**6,690.0**
Proportion of Group's share	**51%**	51%	**50%**
Group's share	**26.4**	30.0	**3,345.0**
Fair valuation adjustment	**-**	-	**2,938.9**
Elimination from intra-group transactions/adjustments	**-**	**-**	**38.3**
Carrying amount of Group's interest (refer note 4(a))	**26.4**	30.0	**6,322.2**

(C) Unrecognised share of losses

₹ In Million

Particulars	Adani CMA Mundra Terminal Private Limited		Adani International Container Terminal Private Limited	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Unrecognised share of loss for the year	**491.9**	554.6	**1,381.6**	1,007.9
Cumulative shares of loss	**1,400.7**	908.8	**2,676.1**	1,294.5

₹ In Million

Particulars	Adani NYK Auto Logistics Solutions Private Limited		Adani Total Private Limited (Consolidated)
	March 31, 2020	March 31, 2019	**March 31, 2020**
Unrecognised share of loss for the year	**-**	-	-
Cumulative shares of loss	**-**	-	-

37 Business Combinations and acquisitions during the year

(i) On August 06, 2019, subsidiary company Adani Logistics Limited has acquired 98.29% equity shares of Adani Logistics Services Private Limited (formerly known as Innovative B2B Logistics Solutions Private Limited) along with its subsidiaries, entities engaged in the business of Logistics Operations. The Group has accounted for business combination based on the fair value of the identified assets, liabilities and contingent liabilities as on the date of acquisition as mentioned below.

The fair value of the identifiable assets and liabilities as at the date of acquisition were: ₹ In Million

Particulars	Adani Logistics Services Private Limited including its subsidiaries
Assets	
Property, Plant and Equipment	2,821.5
Capital work-in-progress	1.4
Other Intangible Assets	202.4
Other non-current financial/non financial assets	163.9
Trade Receivables	235.4
Other current financial/non financial assets	43.2
Cash and Bank Balances	25.8
Total Assets	**3,493.6**
Liabilities	
Borrowings	2,752.2
Non current financial/non financial liabilities	2.0
Trade Payables	245.8
Current financial/non financial liabilities	132.0
Provisions	16.5
Deferred Tax liability (refer note (c) below)	166.7
Total Liabilities	**3,315.2**
Total Identifiable Net Assets at fair value	**178.4**
Purchase Consideration paid	
- For equity	384.7
	384.7
Non-Controlling Interests	4.6
Goodwill arising on acquisition	**201.7**

Note:-

(a) The determination of the fair value is based on discounted cash flow method. Key assumptions on which the management has based fair valuation includes estimated long-term growth rates, weighted average cost of capital and estimated operating margin. The Cash flow projections take into account past experience and represent the management's best estimate about future developments.

(b) Goodwill is attributable to future growth of business out of synergies from these acquisitions and assembled workforce.

(c) Impact of deferred tax adjustment amounting to ₹ 166.7 Million, arising on business combination, adjusted in Goodwill as per Ind AS - 12 Income Taxes.

(d) From the date of acquisition, Adani Logistics Services Private Limited including its subsidiaries have contributed ₹ 1,741.9 Million and ₹ 150.1 Million to the Revenue and profit before tax to the Group respectively. If the combination had taken place at the beginning of the year, revenue would have been ₹ 2,712.8 Million and the profit before tax to the group would have been ₹ 103.3 Million respectively.

(ii) During the year, the Company's subsidiary company Adani Logistics Limited has acquired 100% equity shares of Dhamra Infrastructure Private Limited (formerly known as Welspun Orissa Steel Private Limited) having free hold land amounting to ₹ 2,350.0 Million. The acquisition does not constitute a business combination and hence has been accounted for as an asset acquisition.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

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

38 - Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

₹ In Million

Name of entity	As at and for the year ended March 31, 2020							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Adani Ports and Special Economic Zone Limited	52.13%	198,651.7	47.16%	19,342.5	-81.25%	113.1	47.60%	19,455.6
Subsidiary Companies								
Indian								
The Adani Harbour Services Private Limited	8.75%	33,358.4	33.99%	13,942.0	0.22%	(0.3)	34.11%	13,941.7
Adani Hazira Port Private Limited	7.22%	27,521.3	16.92%	6,939.1	3.30%	(4.6)	16.96%	6,934.5
Adani Logistics Limited	11.11%	42,325.6	2.92%	1,199.4	-0.50%	0.7	2.94%	1,200.1
The Dhamra Port Company Limited	6.41%	24,442.7	6.67%	2,736.7	1.65%	(2.3)	6.69%	2,734.4
Adani Petronet (Dahej) Port Private Limited	2.30%	8,753.5	1.89%	777.2	12.72%	(17.7)	1.86%	759.5
Shanti Sagar International Dredging Private Limited	0.95%	3,605.1	0.93%	383.4	0.07%	(0.1)	0.94%	383.3
Adani Murmugao Port Terminal Private Limited	-0.58%	(2,200.0)	-2.34%	(961.3)	0.22%	(0.3)	-2.35%	(961.6)
Adani Vizag Coal Terminal Private Limited	-0.57%	(2,181.5)	-1.06%	(435.9)	0.00%	-*	-1.07%	(435.9)
Adani Warehousing Services Private Limited	0.01%	44.6	-0.02%	(8.6)	0.00%	-	-0.02%	(8.6)
Adani Hospitals Mundra Private Limited	0.01%	39.9	-0.02%	(6.4)	-0.07%	0.1	-0.02%	(6.3)
Mundra International Airport Private Limited	0.01%	55.2	-0.02%	(8.2)	0.00%	-	-0.02%	(8.2)
Mundra Sez Textile And Apparel Park Private Limited	-0.07%	(283.7)	-0.10%	(41.7)	0.00%	-	-0.10%	(41.7)
Adinath Polyfills Private Limited	0.00%	(14.3)	0.00%	(0.8)	0.00%	-	0.00%	(0.8)
MPSEZ Utilities Private Limited	0.25%	969.6	0.26%	106.9	0.22%	(0.3)	0.26%	106.6
Adani Ennore Container Terminal Private Limited	-0.18%	(678.6)	-2.98%	(1,224.2)	0.43%	(0.6)	-3.00%	(1,224.8)
Adani Vizhinjam Port Private Limited	0.47%	1,775.2	-0.34%	(138.5)	0.00%	-	-0.34%	(138.5)
Adani Kattupalli Port Private Limited	0.06%	210.6	0.07%	27.3	0.00%	-	0.07%	27.3
Karnavati Aviation Private Limited	0.45%	1,726.6	-0.23%	(95.6)	0.65%	(0.9)	-0.24%	(96.5)
Hazira Infrastructure Private Limited	0.07%	258.9	0.02%	7.9	0.00%	-	0.02%	7.9
Mundra International Gateway Terminal Private Limited	0.00%	0.3	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Bhavanapadu Port Private Limited	0.00%	0.4	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Marine Infrastructure Developer Private Limited	5.30%	20,202.5	2.30%	943.9	0.65%	(0.9)	2.31%	943.0
Blue Star Realtors Private Limited	0.63%	2,407.7	-0.07%	(27.7)	0.00%	-	-0.07%	(27.7)
Madurai Infrastructure Private Limited	0.60%	2,287.0	-0.13%	(52.1)	0.00%	-	-0.13%	(52.1)
Dholera Port And Special Economic Zone Limited	-0.01%	(30.9)	-0.01%	(2.7)	0.00%	-	-0.01%	(2.7)
Adani Kandla Bulk Terminal Private Limited	-1.19%	(4,515.5)	-3.08%	(1,262.4)	0.57%	(0.8)	-3.09%	(1,263.2)
Dholera Infrastructure Private Limited	-0.01%	(37.1)	-0.01%	(3.2)	0.00%	-	-0.01%	(3.2)
Adani Agri Logistics Limited	1.31%	4,991.9	0.56%	230.6	1.51%	(2.1)	0.56%	228.5
Adani Agri Logistics (MP) Limited	0.00%	3.5	-0.02%	(7.9)	0.07%	(0.1)	-0.02%	(8.0)
Adani Agri Logistics (Harda) Limited	0.00%	13.9	0.00%	(0.4)	0.00%	-*	0.00%	(0.4)
Adani Agri Logistics (Hoshangabad) Limited	0.00%	10.4	-0.01%	(5.7)	0.00%	-*	-0.01%	(5.7)
Adani Agri Logistics (Satna) Limited	0.00%	10.4	0.00%	(0.8)	0.07%	(0.1)	0.00%	(0.9)
Adani Agri Logistics (Ujjain) Limited	0.01%	37.9	-0.01%	(3.0)	0.07%	(0.1)	-0.01%	(3.1)

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

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

38 - Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

₹ In Million

Name of entity	As at and for the year ended March 31, 2020							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Adani Agri Logistics (Dewas) Limited	0.01%	26.0	-0.01%	(3.4)	0.00%	-*	-0.01%	(3.4)
Adani Agri Logistics (Katihar) Limited	0.04%	137.6	-0.03%	(13.0)	0.00%	-	-0.03%	(13.0)
Adani Agri Logistics (Kotkapura) Limited	0.01%	31.3	0.00%	(1.5)	0.07%	(0.1)	0.00%	(1.6)
Adani Agri Logistics (Kannauj) Limited	0.09%	359.0	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Agri Logistics (Panipat) Limited	0.13%	507.6	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Agri Logistics (Moga) Limited	0.03%	96.4	0.00%	(0.9)	0.00%	-	0.00%	(0.9)
Adani Agri Logistics (Mansa) Limited	0.02%	68.1	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Agri Logistics (Bathinda) Limited	0.01%	40.0	0.00%	0.2	0.00%	-	0.00%	0.2
Adani Agri Logistics (Barnala) Limited	0.03%	106.8	0.00%	(0.8)	0.00%	-	0.00%	(0.8)
Adani Agri Logistics (Nakodar) Limited	0.02%	92.2	0.00%	(0.5)	0.00%	-	0.00%	(0.5)
Adani Agri Logistics (Raman) Limited	0.02%	82.6	0.00%	(0.4)	0.00%	-	0.00%	(0.4)
Adani Agri Logistics (Dahod) Limited	0.00%	3.8	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Agri Logistics (Borivali) Limited	0.00%	2.4	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Agri Logistics (Dhamora) Limited	0.00%	2.4	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Agri Logistics (Samastipur) Limited	0.04%	133.9	0.00%	0.2	0.00%	-	0.00%	0.2
Adani Agri Logistics (Darbhanga) Limited	0.07%	260.2	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Dermot Infracon Private Limited	0.36%	1,359.4	0.00%	(1.5)	0.00%	-	0.00%	(1.5)
Dhamra Infrastructure Private Limited *	0.08%	297.7	0.00%	(0.5)	0.00%	-	0.00%	(0.5)
Adani Tracks Management Services Private. Limited	0.00%	0.5	0.00%	-*	0.00%	-	0.00%	-*
Adani Logistics Services Private. Limited *	0.65%	2,491.2	0.35%	145.5	1.65%	(2.3)	0.35%	143.2
Adani Noble Private. Limited *	-0.03%	(108.4)	0.01%	4.8	0.00%	-	0.01%	4.8
Adani Forwarding Agent Private. Limited *	0.00%	(0.2)	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Cargo Logistics Private. Limited *	0.00%	9.2	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Logistics Infrastructure Private. Limited *	0.00%	9.1	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Pipelines Private. Limited #	0.00%	0.5	0.00%	-*	0.00%	-	0.00%	-*
Adani Total Private Limited (subsidiary till December 31, 2019)	0.00%	-	0.83%	341.1	0.00%	-	0.83%	341.1
Dhamra LNG Terminal Private Limited (subsidiary till December 31, 2019)	0.00%	-	0.00%	(1.6)	72.63%	(101.1)	-0.25%	(102.7)
Total Adani Fuels Marketing Private Limited (subsidiary till December 31, 2019)#	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign								
Abbot Point Operations Pty Limited	-0.01%	(33.4)	0.16%	63.6	0.00%	-	0.16%	63.6
Abbot Point Bulkcoal Pty Limited	0.18%	688.7	0.95%	387.7	0.00%	-	0.95%	387.7
Adani Mundra Port Pte. Limited	0.00%	(0.6)	0.00%	(0.4)	0.00%	-	0.00%	(0.4)

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

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

38 - Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

₹ In Million

Name of entity	As at and for the year ended March 31, 2020							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Adani Abbot Port Pte. Limited	0.00%	(0.6)	0.00%	(0.4)	0.00%	-	0.00%	(0.4)
Adani International Terminals Pte Limited	-0.04%	(142.1)	-0.30%	(121.3)	0.00%	-	-0.30%	(121.3)
Adani Mundra Port Holding Pte Limited	0.00%	(0.4)	0.00%	(0.5)	0.00%	-	0.00%	(0.5)
Adani Bangladesh Ports Private. Limited#	0.00%	4.6	0.00%	-	0.00%	-	0.00%	-
Adani Yangon International Terminal Company Limited	1.30%	4,950.6	0.00%	-	0.00%	-	0.00%	-
Bowen Rail Operations Pte Limited#	0.00%	0.2	0.00%	(0.2)	0.00%	-	0.00%	(0.2)
Bowen Rail Company Pty Ltd.#	0.00%	0.1	0.00%	-	0.00%	-	0.00%	-
Non-controlling interest	-0.58%	(2,195.9)	-0.52%	(214.0)	-3.16%	4.4	-0.51%	(209.6)
Joint Venture Entities								
Indian								
Adani International Container Terminal Private Limited	0.20%	778.6	-3.37%	(1,380.6)	0.72%	(1.0)	-3.38%	(1,381.6)
Adani CMA Mundra Terminal Private Limited	-0.21%	(806.7)	-1.20%	(491.3)	0.43%	(0.6)	-1.20%	(491.9)
Adani NYK Auto Logistics Solutions Private Limited	0.01%	26.4	-0.01%	(3.6)	0.00%	-	-0.01%	(3.6)
Adani Total Private Limited	0.97%	3,693.4	-0.09%	(35.6)	0.00%	-	-0.09%	(35.6)
Dhamra LNG Terminal Private Limited	1.13%	4,318.7	-0.01%	(4.1)	87.07%	(121.2)	-0.31%	(125.3)
Total Adani Fuels Marketing Private. Limited#	0.00%	0.2	0.00%	-*	0.00%	-	0.00%	-
Sub total	**100%**	**381,054.3**	**100%**	**41,015.6**	**100%**	**(139.2)**	**100%**	**40,876.4**
CFS Adjustments and Eliminations		(124,819.4)		(3,384.3)		509.8		(2,874.5)
Total	**100%**	**256,234.9**	**100%**	**37,631.3**	**100%**	**370.6**	**100%**	**38,001.9**

-* Figures being nullified on conversion to ₹ in Million

* Company acquired during the year

Company incorporated during the year.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

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

Note - 38 - Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

₹ In Million

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	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Adani Ports and Special Economic Zone Limited	61.83%	204,916.7	60.41%	26,377.2	118.29%	188.2	60.62%	26,565.4
Subsidiaries Companies								
Indian								
The Adani Harbour Services Private Limited	8.29%	27,484.7	26.03%	11,365.9	-0.25%	(0.4)	25.94%	11,365.5
Adani Hazira Port Private Limited	6.21%	20,586.8	10.76%	4,698.3	-2.70%	(4.3)	10.71%	4,694.0
Adani Logistics Limited	6.71%	22,236.4	0.75%	326.4	0.38%	0.6	0.75%	327.0
The Dhamra Port Company Limited	6.55%	21,708.3	2.61%	1,137.4	-2.01%	(3.2)	2.59%	1,134.2
Adani Petroleum Terminal Private Limited	0.06%	184.8	-0.02%	(8.9)	0.00%	-	-0.02%	(8.9)
Adani Petronet (Dahej) Port Private Limited	2.54%	8,411.4	4.85%	2,119.0	-12.70%	(20.2)	4.79%	2,098.8
Shanti Sagar International Dredging Private Ltd	0.97%	3,221.8	3.91%	1,707.3	-0.13%	(0.2)	3.90%	1,707.1
Adani Murmugao Port Terminal Private Limited	-0.37%	(1,238.4)	-2.37%	(1,033.9)	-0.31%	(0.5)	-2.36%	(1,034.4)
Adani Vizag Coal Terminal Private Limited	-0.53%	(1,745.6)	0.67%	293.7	-0.50%	(0.8)	0.67%	292.9
Adani Warehousing Services Private Limited	0.02%	53.2	0.07%	31.7	0.00%	-	0.07%	31.7
Adani Hospitals Mundra Private Limited	0.01%	45.9	0.01%	6.0	-0.06%	(0.1)	0.01%	5.9
Mundra International Airport Private Limited	0.02%	63.4	-0.01%	(4.4)	0.00%	-	-0.01%	(4.4)
Mundra SEZ Textile And Apparel Park Private Limited	-0.07%	(242.1)	-0.11%	(49.8)	0.00%	-*	-0.11%	(49.8)
Adinath Polyfills Private Limited	0.00%	(13.5)	0.00%	(0.6)	0.00%	-	0.00%	(0.6)
MPSEZ Utilities Private Limited	0.26%	863.0	0.17%	74.4	-0.31%	(0.5)	0.17%	73.9
Adani Ennore Container Terminal Private Limited	0.16%	546.2	-2.49%	(1,088.8)	0.13%	0.2	-2.48%	(1,088.6)
Adani Vizhinjam Port Private Limited	0.58%	1,913.7	-0.05%	(23.8)	0.00%	-	-0.05%	(23.8)
Adani Kattupalli Port Private Limited	1.56%	5,183.3	0.23%	102.6	0.00%	-	0.23%	102.6
Karnavati Aviation Private Limited	0.55%	1,823.1	-0.11%	(47.3)	-0.57%	(0.9)	-0.11%	(48.2)
Hazira Infrastructure Private Limited	0.08%	251.0	0.02%	9.1	0.00%	-	0.02%	9.1
Mundra International Gateway Terminal Private Limited	0.00%	0.4	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Bhavanapadu Port Private Limited	0.00%	0.5	0.00%	-*	0.00%	-	0.00%	-*
Marine Infrastructure Developer Private Limited	4.30%	14,259.4	1.33%	582.1	1.07%	1.7	1.33%	583.8
Blue Star Realtors Private Limited	0.13%	431.3	-0.27%	(119.5)	0.00%	-	-0.27%	(119.5)
Madurai Infrastructure Private Limited (formerly known as Mundra LPG Infrastructure Private Limited)	0.00%	(0.2)	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Dholera Port And Special Economic Zone Limited	-0.01%	(28.1)	-0.01%	(2.9)	0.00%	-	-0.01%	(2.9)
Dhamra LNG Terminal Private Limited	0.00%	0.2	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Kandla Bulk Terminal Private Limited	-0.98%	(3,252.3)	-1.83%	(798.2)	-0.63%	(1.0)	-1.82%	(799.2)
Dholera Infrastructure Private Limited	-0.01%	(33.9)	-0.01%	(3.9)	0.00%	-	-0.01%	(3.9)
Mundra LPG Terminal Private Limited (till December 28, 2018)	0.00%	-	-0.01%	(2.6)	0.00%	-	-0.01%	(2.6)

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	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Adani Dhamra LPG Terminal Private Limited (till December 28, 2018)	0.00%	-	0.00%	-*	0.00%	-	0.00%	-*
Adani Agri Logistics Limited	1.17%	3,888.4	0.01%	4.0	-1.63%	(2.6)	0.00%	1.4
Adani Agri Logistics (MP) Limited	-0.01%	(42.6)	0.00%	0.2	0.00%	-*	0.00%	0.2
Adani Agri Logistics (Harda) Limited	-0.01%	(36.0)	0.00%	(0.4)	0.06%	0.1	0.00%	(0.3)
Adani Agri Logistics (Hoshangabad) Limited	-0.01%	(33.3)	0.00%	0.3	0.06%	0.1	0.00%	0.4
Adani Agri Logistics (Satna) Limited	-0.01%	(36.9)	0.00%	0.1	0.06%	0.1	0.00%	0.2
Adani Agri Logistics (Ujjain) Limited	0.00%	(7.7)	0.00%	0.9	0.00%	-*	0.00%	0.9
Adani Agri Logistics (Dewas) Limited	-0.01%	(20.1)	0.00%	0.7	0.00%	-*	0.00%	0.7
Adani Agri Logistics (Katihar) Limited	0.00%	3.0	0.00%	(0.8)	0.00%	-	0.00%	(0.8)
Adani Agri Logistics (Kotkapura) Limited	0.00%	(13.3)	0.00%	(0.3)	0.00%	-*	0.00%	(0.3)
Adani Agri Logistics (Kannauj) Limited	0.00%	(8.3)	0.00%	-	0.00%	-	0.00%	-
Adani Agri Logistics (Panipat) Limited	0.00%	(2.2)	0.00%	-	0.00%	-	0.00%	-
Adani Agri Logistics (Moga) Limited	0.00%	(2.1)	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Agri Logistics (Mansa) Limited	0.00%	3.2	0.00%	-*	0.00%	-	0.00%	-*
Adani Agri Logistics (Bathinda) Limited	0.00%	9.0	0.00%	-*	0.00%	-	0.00%	-*
Adani Agri Logistics (Barnala) Limited	0.00%	(3.9)	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Agri Logistics (Nakodar) Limited	0.00%	(0.7)	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Adani Agri Logistics (Raman) Limited	0.00%	1.2	0.00%	-*	0.00%	-	0.00%	-*
Adani Agri Logistics (Dahod) Limited	0.00%	0.5	0.00%	-*	0.00%	-	0.00%	-*
Adani Agri Logistics (Borivali) Limited	0.00%	0.5	0.00%	-*	0.00%	-	0.00%	-*
Adani Agri Logistics (Dhamora) Limited	0.00%	0.5	0.00%	-*	0.00%	-	0.00%	-*
Adani Agri Logistics (Samastipur) Limited	0.00%	0.4	0.00%	-*	0.00%	-	0.00%	-*
Adani Agri Logistics (Darbhanga) Limited	0.00%	0.4	0.00%	-*	0.00%	-	0.00%	-*
Dermot Infracon Private Limited	0.00%	(0.1)	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Foreign								
Abbot Point Operations Pty Limited	-0.03%	(100.2)	-0.14%	(60.5)	0.00%	-	-0.14%	(60.5)
Abbot Point Bulkcoal Pty Ltd	0.13%	447.3	0.42%	183.8	0.00%	-	0.42%	183.8
Adani International Terminals Pte Limited	0.00%	(11.4)	-0.01%	(4.9)	0.00%	-	-0.01%	(4.9)
Adani Mundra Port Holding Pte Ltd	0.00%	0.1	0.00%	(0.3)	0.00%	-	0.00%	(0.3)
Adani Mundra Port Pte. Limited	0.00%	(0.2)	0.00%	(0.3)	0.00%	-	0.00%	(0.3)
Adani Abbot Port Pte. Limited	0.00%	(0.2)	0.00%	(0.3)	0.00%	-	0.00%	(0.3)
Adani Yangon International Terminal Company Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

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

Note - 38 - Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

₹ In Million

Name of entity	As at and for the year ended March 31, 2019							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit or Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Non-controlling interest	-0.63%	(2,099.4)	-1.25%	(545.3)	2.77%	4.4	-1.23%	(540.9)
Joint Venture Entities								
Indian								
Adani International Container Terminal Private Limited	0.65%	2,160.3	-2.31%	(1,006.8)	-0.63%	(1.0)	-2.30%	(1,007.8)
Adani CMA Mundra Terminal Private Limited	-0.10%	(314.9)	-1.27%	(554.0)	-0.38%	(0.6)	-1.27%	(554.6)
Adani NYK Auto Logistics Solutions Private Limited	0.01%	30.0	0.00%	(0.2)	0.00%	-	0.00%	(0.2)
Sub total	**100%**	**331,442.7**	**100%**	**43,661.7**	**100%**	**159.1**	**100%**	**43,820.8**
CFS Adjustments and Eliminations		(86,060.7)		(3,759.5)		(0.6)		(3,760.1)
Total	**100%**	**245,382.0**	**100%**	**39,902.2**	**100%**	**158.5**	**100%**	**40,060.7**

-* Figures being nullified on conversion to ₹ in Million

39 The Company had entered into preliminary agreement dated September 30, 2014 with a party for development and maintenance of Liquefied Natural Gas ("LNG") terminal infrastructure facilities at Mundra ("the LNG Project"). During the previous year, the Management had assessed that it would be prudent to record revenue from this project once definitive agreements are executed by both the parties. Consequently the Company derecognised accrued income amounting to ₹ 1,219.0 Million (net off of advance received ₹ 500.0 Million and cost) which was recognised in earlier financial year. The same is presented as an exceptional item in the consolidated financial statements for the year ended March 31, 2019.

During the current year, as assessed by the management, due to the disputes between the Company and Customer with respect to construction, operation and maintenance of the LNG Project, Interim and Arbitration Agreement dated December 24, 2019 was executed. Pursuant thereto, ₹ 6,660.0 Million has been received and arbitration has been invoked by the Company. The Company is in process of preparing and computing its claims to be filed before the Arbitral Tribunal. The Company and Customer have appointed their nominee arbitrators and the Umpire of the Arbitral Tribunal will be named by the nominee arbitrators of the Parties, shortly. Pending further developments, no revenue has been recorded as at March 31, 2020.

40 a) Adani Vizag Coal Terminal Private Limited ("AVCTPL") - a subsidiary of the Company is engaged in Port services under concession from one of the port trust authorities of the Government of India. The Port authority issued Consultation Notice to AVCTPL in accordance with the provisions of the Concession Agreement. As at March 31, 2018, AVCTPL had assessed the appropriateness of the carrying value of the Service Concession Rights in it's books and had recorded an impairment amounting to ₹ 1,551.8 Million based on best estimates by the management.

During the previous financial year, on account of certain positive developments resulting into improved operating efficiency, Consultation Notice was withdrawn by the Port authority. As at March 31, 2019, AVCTPL had reassessed the carrying values of Service Concession Rights and had reversed an impairment loss amounting to ₹ 529.5 Million based on the estimates made by the management. The same is presented as an exceptional item in the consolidated financial statements for the year ended March 31, 2019.

The Management has reassessed the appropriateness of the carrying values of the Service Concession Rights as at March 31, 2020 and has determined that no further impairment or reversal of previously recorded impairment is required at this stage.

(b) During the previous financial year, Adani Murmugao Port Terminal Private Limited ("AMPTPL") had received a demand from Murmugao Port Trust ("MPT") for the payment of revenue share on deemed storage charges of ₹ 726.2 Million upto financial year 2016-17. The Management considered it prudent to make provision to the extent of demand raised. In the meantime, AMPTPL applied to the MPT for classification of the Project as "Stressed Project" in accordance with guidelines issued by Ministry of Shipping. In June 2019, AMPTPL received a letter from MPT informing that it does not meet one of the criteria for classification of Stressed Project and initiated an Arbitration for recovery of revenue share on storage charges. In response, AMPTPL has also appointed an arbitrator as suggested by MPT. Pending the conclusion of the Arbitration proceedings, AMPTPL had provided ₹ 586.3 Million as revenue share on deemed storage income for the period April 2017 to June 2019 (shown as exceptional item) and continued to make the provision till year ended March 31, 2020.

41 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 and Equipment and Intangible Assets comprising of service concession rights in accordance with Ind AS 36, Impairment of Assets in case of Adani Kandla Bulk Terminal Private Limited and Adani Murmugao Port Terminal Private Limited. In developing these 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 Ministry Of Shipping. The Management has also considered industry reports, economic indicators and general business conditions to make the necessary adjustments in its future projections for the possible effects of the COVID-19 event, as available to the Management on the date of these financial statements. The management has considered the benefit of the above relaxation, the effects of COVID-19 event considered to be short term in nature as well as made various estimates relating to cargo traffic, port tariffs, inflation, discount rates, revenue share on income etc considered as reasonable by the Management, over the entire concession period. On a careful evaluation of the aforesaid factors, the Management of the Company has concluded that the recoverable amount of Property, Plant and Equipment and Intangible Assets is higher than their carrying amounts as at March 31, 2020. 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.

42 During the year, the Company's subsidiary Adani Logistics Limited has entered into Onshore Joint Venture Agreement (the "JV Agreement") with Total Holdings SAS ("TOTAL") and consequently on May 03, 2019, 2,02,00,000 equity shares of ₹ 10 each of Adani Petroleum Terminal Private Limited (APTPL) have been issued to TOTAL. APTPL has, thereafter, been renamed as Adani Total Private Limited ("ATPL").

On fulfilment of condition precedent mentioned in the above agreement ,the Group has recorded fair value gain of ₹ 4,343.0 Million, arising from infrastructure development of Port and LNG infrastructure at Dhamra, from erstwhile subsidiary Dhamra LNG Terminal Private Limited. ATPL has been accounted as joint venture entity w.e.f December 31, 2019.

43 On January 03, 2020, Adani Ports and Special Economic Zone Limited ("APSEZL") has announced that it will be acquiring controlling stake of 75% in Krishnapatnam Port Company Limited. ("KPCL") from the existing shareholders of KPCL. The said acquisition is subject to regulatory approvals.

44 Impairment testing of Goodwill

Goodwill acquired through acquisitions and business combinations pertains to following Cash Generating Units (CGUs).

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
The Dhamra Port Company Limited	**25,593.1**	25,593.1
Adani Kandla Bulk Terminal Private Limited	**0.6**	0.6
Abbot Point Bulkcoal Pty Limited	**18.5**	19.8
The Adani Harbour Services Private Limited	**205.3**	205.3
Adani Petronet (Dahej) Port Private Limited	**2.2**	2.2
Adani Logistics Limited	**27.1**	27.1
Adinath Polyfills Private Limited	**374.2**	374.2
Marine Infrastructure Developer Private Limited	**1,432.6**	1,432.6
Adani Agri Logistics Limited and its subsidiaries	**4,558.4**	4,558.4
Dermot Infracon Private Limited	**0.2**	0.2
Adani Total Private Limited (Formerly known as Adani Petroleum Terminal Private Limited)	**-**	17.2
Adani Logistics Services Private Limited and its subsidiaries (refer note 37 (i))	**201.7**	-
Goodwill relating to Merger of Adani Port Limited	**448.6**	448.6
Total	**32,862.5**	32,679.3

Notes:

The goodwill is tested for impairment annually and as at March 31, 2020, the goodwill was not impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money. The growth rates are based on management's forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its forecasts based on the most recent financial budgets approved by management with projected revenue growth rates ranging from 6% to 20%.

The rates used to discount the forecasts is 9% to 13.5%.p.a.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

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

₹ in Million

Sr. No.	Particulars	March 31, 2020	March 31, 2019
a	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	19.6	20.7
	Interest due	Nil	Nil
b	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
d	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
e	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 MSMED Act 2006.	Nil	Nil

46 On December 27, 2019 Adani Logistics Limited ("ALL"), a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited ("APSEZL") has signed a definitive agreement to acquire 40.25% stake in Snowman Logistics Limited ("Snowman") from Gateway Distriparks Limited. As a part of this transaction, ALL made a mandatory open offer as per the Substantial Acquisition of Shares and Takeover Guidelines, 2011 for a maximum 26% of the public shareholding in Snowman. On March 13, 2020 ALL completed the acquisition of 4,34,42,879 equity shares representing 26% of the total voting equity share capital of Snowman, pursuant to open offer at a price of ₹ 44 per equity share, in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and accounted the same as an investment in an associate.

Further, ALL is in discussion with Gateway Distriparks Limited in relation to the purchase of its 40.25% stake in Snowman.
The Group has accounted for its share of the net fair value in Snowman based on provisional fair valuation of Snowman's assets and liabilities. The Group has not considered any share of profit/ loss for the period as the amount is immaterial.

47 In terms of the development and operations of Vizhinjam International Deepwater Multipurpose Seaport ("Project") as per Concession Agreement ("CA") dated August 17, 2015 with Government of Kerala, the scheduled milestone date, for Adani Vizhinjam Port Private Limited ("AVPPL") to complete the Project including Commercial Operation Date ("COD") and extension till August 30, 2020.

As at reporting date, AVPPL has not achieved the Scheduled COD because of events Cyclone Ockhi in November, 2017, Extreme Adverse Weather conditions at Sea in July, 2018 whereby project work got standstill, Amendments in procedures for Environment Clearance, as per the National Green Tribunal (NGT) vide order dated September 13, 2018, Nationwide lockdown due to COVID-19 pandemic in March, 2020 which are in nature of Force Majeure events under clause 35.5.1 of the CA. Presently AVPPL is in discussions with Government of Kerala and Vizhinjam International Seaport Limited for revision in Project completion schedule and clarification on certain 'Force Majeure Events' raised by the AVPPL vide it's letter dated December 02, 2017, July 18, 2018, October 04, 2018 and March 20, 2020 with the authorities to take up the matter.

Based on the various representations made by the AVPPL for the reasons for delay in achieving the COD and discussions at regular Project Review meetings convened by the Principle Secretary to the Government of Kerala, Port Department and minutes thereof, the management is confident with regards to authorities accepting its stand of various 'Force Majeure Events', claimed during the course of the construction of the project as well as revision in the project completion schedule.

48 Pursuant to BOO agreement with Food Corporation of India (FCI), the subsidiary company Adani Agri Logistics Limited ("AALL") developed a Field Depot at Bandel, District Hooghly in the state of West Bengal ("Hooghly depot") with storage capacity of 25,000 MT. For this purpose, AALL had entered into a lease agreement for land with Eastern Railways. The land was taken on lease from Eastern Railway for an initial period of four years with the anticipation that it would be renewed periodically. The AALL constructed warehousing facility ('Silos') along with Railway Siding on this leasehold land and started movement and distribution of food grains on behalf of FCI at this location.

After completion of four years of lease agreement, the AALL approached Eastern Railways for renewal of lease period. In the meantime, Eastern Railway kept on giving permission to handle rakes and the operations in Bandel continued till 2014. However, Eastern Railways did not renew lease agreement by citing a cabinet note which barred permanent construction of a commercial establishment on railway land. Consequently, it stopped rake movement of the AALL in March 2014. As the AALL was unable to transport food grains at this depot, FCI stopped making payment of revenues for this depot. Considering the uncertainty involved in ultimate recovery, the AALL had not recognized revenues for the year ended March 31, 2020. Similarly, such charges do not form part of any other disclosure of notes forming part of consolidated financial statements.

In order to resolve the issue and get the lease agreement renewed, the AALL had filed a writ petition before Kolkata High Court on 15.12.2016. The High Court, vide its order dated 04.01.2017, had asked Eastern Railways to resolve the matter amicably. However, Eastern Railways did not renew lease period again and therefore, the AALL had filed second writ petition before Kolkata High Court on 24.04.2017.

While the matter was pending with Kolkata High Court, the AALL approached Ministry of Consumer Affairs, Food & Public Distribution, GOI and requested them to take up the matter with Ministry of Railway, whereby Railway could lease out the land with structures/ assets to FCI as there is a policy in Railway that permits leasing out Railway land to a Government entity/ PSU. Accordingly, Minister of Consumer Affairs, Food & Public Distribution took up the matter with the Minister of Railway, who got the matter examined in Railway Board and issued directions that the land can be given on lease to FCI on long term basis provided AALL clears all the dues towards Eastern Railway and FCI takes over the ownership of Bandel depot.

As a result of these directions and discussion with Railway, the AALL had withdrawn the writ petition against Eastern Railway and cleared all dues towards them. The AALL has also submitted its consent to transfer the ownership of Bandel depot to FCI so as to clear the way to resume the operations at Bandel.

Consequent to suspension of operations in Bandel (Hooghly), FCI had unilaterally decided to reduce the Guaranteed Tonnage in Kaithal (2 Lac MT) in proportion to Guarantee Tonnage of Hooghly (66700 MT). The AALL is in discussion on the matter with FCI to resolve it amicably. In case no resolution is arrived at, the AALL will seek remedy in the Arbitration on this particular matter.

The process of leasing out the land by Eastern Railway to FCI is in progress. FCI has communicated with Railway in this regard. Formal meetings have also taken place between FCI and Railway. The AALL expects that the matter would be resolved as both FCI and Eastern Railway have agreed to the mutually arrived at solution for serving procurement, storage and distribution of food grains into Public Distribution System and other welfare schemes of the Govt. of India under National Food Security Act.

49 The subsidiary company Adani Agri Logistics Limited ("AALL") had entered into an Agreement with FCI on 28.06.2005 for a concession period of 20 years from "Operations Date", whereby it was supposed to develop Silo Terminals with Railway Sidings on BOO basis and procure specialized Rail wagons within 3 years. AALL installed and commissioned two largest units i.e., Moga (Punjab) and Kaithal (Haryana) having Silos of 200000 MT capacity each within a period of 2 years in 2007 i.e., much before the deadline of 3 years and put to the service of FCI. Subsequent units of Navi Mumbai, Hooghly, Chennai, Coimbatore and Bangalore were commissioned in 2008 & 2009. For the delay in execution of these units, AALL had duly paid liquidated damages to FCI as per the contract terms. One of the obligations to be fulfilled by AALL was to provide certain number of specialized wagons (i.e., Rakes) to facilitate the bulk movement of food grain stocks from producing areas of Moga and Kaithal to the consuming areas. Since this was a pilot project and specialized wagons were being introduced for the first time in India, number of rakes required for the project remained a debatable issue between RITES (the consultants) and Railway Board. The AALL initially procured 260 wagons i.e., 5 rakes. However, FCI insisted for 364 wagons i.e., 7 rakes. Eventually, AALL procured 104 more wagons i.e., two more rakes to make total of 7 rakes on 28.09.2013. Meanwhile, AALL continued serving FCI to the full capacity during this period. As per contract, FCI was supposed to give Annual Guaranteed Tonnage (AGT) and WPI based escalation in service charges. Since FCI considered 28.09.2013 as the actual "Operations date" when the project was 100% complete, they did not give WPI escalation to AALL for the period from 2007 till 28.09.2013. FCI also did not give Guaranteed Tonnage for this period. FCI kept this period on Actual Utilization Basis (AUB). Also, FCI kept the 20 years' Concession Period from 2007 till 2027. As per Agreement terms, the AGT will be reduced from 100% to 75% from 11th year of operations. Since FCI considered 2007 as first year of operations, the AGT was reduced to 75% from 2017 i.e., 11th year of operations. After a series of deliberations and consultations with FCI, the matter was referred to Arbitration Tribunal, which is currently ongoing. AALL has prayed as follows:

a) FCI should pay WPI based escalation from 2007 as AALL had been providing uninterrupted services to FCI since beginning. WPI is kept to absorb inflation irrespective of the fact that the unit was on AGT or AUB.

b) Alternatively, if FCI considers 28.09.2013 as "Operations Date", the 20 years' Concession Period should be fixed from 2013 till 2033.

Accordingly, the matter is being heard by the Arbitration Panel comprising of three Arbitrators. Arbitral Award is likely to be pronounced this year.

50 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 Group. Hence, the disclosure is not applicable.

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

52 Events occurred after the Balance Sheet Date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 05, 2020, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director
DIN : 00006273

Rajesh S. Adani
Director
DIN : 00006322

Karan Adani
Wholetime Director and CEO
DIN : 03088095

Deepak Maheshwari
Chief Financial Officer
Place:- Mumbai

Place : Ahmedabad
Date: May 05, 2020

Kamlesh Bhagia
Company Secretary

Deloitte
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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its associate and joint ventures for the quarter and six months ended September 30, 2020 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the Parent, subsidiaries, joint ventures and an associate as given in the Annexure to this report.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to:

   (i) Note 10 to the Statement, regarding the management's assessment of property, plant and equipment of Rs. 11.64 crores and intangible assets of Rs. 1,067.40 crores, as at September 30, 2020 being considered recoverable based on the future operational plans and cash flows 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, in case of Adani Murmugao Port Terminal Private Limited and Adani Kandla Bulk Terminal Private Limited and also considering the expected relaxation to be received for revenue share on store charge in case of Adani Murmugao Port Terminal Private Limited. Accordingly, for the reasons stated in the said Note, no provision towards impairment of carrying values of the aforesaid property, plant and equipment and intangible assets is considered necessary at this stage.

   (ii) Note 11 of the Statement which describes, a matter relating to delay in compliance of Commercial Operational Date (COD) in terms of the Concession Agreement for the development of international deep-water multipurpose seaport at Vizhinjam, Kerala and the status thereof including pending outcome of the dispute/ conciliation notice to the Government Authority in the matter as at reporting date, in case of AVPPL, detailed in the said note

   Our conclusion on the Statement is not modified in respect of these matters.

7. We did not review the interim financial results of 11 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 17,885.88 crore as at September 30, 2020, total revenues of Rs. 1,324.74 crore and Rs. 2,355.31 crore for the quarter and six months ended September 30, 2020 respectively, total net profit after tax of Rs. 602.64 crores and Rs. 979.68 crore for the quarter and six months ended September 30, 2020 respectively and total comprehensive income of Rs. 602.55 crore and Rs. 979.43 crore for the quarter and six months ended September 30, 2020 respectively and net cash outflows of Rs. 257.02 crore for the six months ended September 30, 2020, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 65.29 crore and Rs. 81.39 crore for the quarter and six months ended September 30, 2020 respectively and Total comprehensive income of Rs. 65.09 crore and Rs. 81.20 crore for the quarter and six months ended September 30, 2020 respectively, as considered in the Statement, in respect of one associate and one joint venture, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Certain of these subsidiaries are located outside India whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial results of such subsidiaries located outside India from accounting principles generally accepted in their



respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our conclusion on the Statement is not modified in respect of these matters.

8. The consolidated unaudited financial results includes the interim financial results of 50 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 4,377.01 crore as at September 30, 2020, total revenue of Rs. 36.46 crore and Rs. 82.13 crore for the quarter and six months ended September 30, 2020 respectively, total loss after tax of Rs. 15.08 crore and Rs. 16.70 crore for the quarter and six months ended September 30, 2020 respectively and total comprehensive loss of Rs. 15.09 crore and Rs. 16.73 crores for the quarter and six months ended September 30, 2020 and net cash outflow of Rs. 8.87 crore for the six months ended September 30, 2020, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of total profit after tax of Rs 0.002 Crore for the quarter ended September 30, 2020 and Group's share of total loss after tax of Rs 0.24 Crore for the half year ended September 30, 2020, total comprehensive income of Rs 0.002 Crore for the quarter ended September 30,2020 and total comprehensive loss of Rs 0.24 Crore for the half year ended September 30, 2020, as considered in the Statement, in respect of one joint venture, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

   Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)
UDIN: 20106189AAAAKX5468

Ahmedabad, November 03, 2020

Annexure to Independent Auditor's Review Report

Sr. No.	Name of Entities
A	**Parent**
1.	Adani Ports and Special Economic Zone Limited
B	**Subsidiaries**
1.	Abbot Point Operations Pty Limited
2.	Adani International Terminals Pte Limited
3.	The Dhamra Port Company Limited
4.	The Adani Harbour Services Limited (Formerly known as The Adani Harbour Services Private Limited)
5.	Adani Vizhinjam Port Private Limited
6.	Adani Hazira Port Private Limited
7.	Adani Petronet Dahej Port Private Limited
8.	Adani Kattupalli Port Limited (Formerly known as Adani Kattupalli Port Private Limited)
9.	Adani Murmugao Port Terminal Private Limited
10.	Adani Kandla Bulk Terminal Private Limited
11.	Adani Ennore Container Terminal Private Limited
12.	Adani Logistics Limited
13.	Adani Hospitals Mundra Private Limited
14.	Adani Vizag Coal Terminal Private Limited
15.	Adani Warehousing Services Private Limited
16.	Dholera Infrastructure Private Limited
17.	Madurai Infrastructure Private Limited
18.	Karnavati Aviation Private Limited
19.	Mundra International Airport Private Limited
20.	Shanti Sagar International Dredging Limited (Formerly known as Shanti Sagar International Dredging Private Limited)
21.	MPSEZ Utilities Limited (Formerly known as MPSEZ Utilities Private Limited)
22.	Mundra International Gateway Terminal Private Limited
23.	Adinath Polyfills Private Limited
24.	Marine Infrastructure Developer Private Limited
25.	Adani Bhavanapadu Port Private Limited
26.	Adani Mundra Port Holdings Pte Limited
27.	Mundra SEZ Textile And Apparel Park Private Limited
28.	Adani Tracks Management Services Private Limited
29.	Adani Pipelines Private Limited
30.	Abbot Point Bulkcoal Pty Limited
31.	Dholera Ports and Special Economic Zone Limited
32.	Hazira Infrastructure Limited (Formerly known as Hazira Infrastructure Private Limited)
33.	Blue Star Realtors Private Limited
34.	Adani Mundra Port Pte. Limited
35.	Adani Abbot Port Pte. Limited
36.	Adani Yangon International Terminal Company Limited
37.	Dermot Infracon Private Limited
38.	Adani Agri Logistics Limited
39.	Adani Agri Logistics (MP) Limited
40.	Adani Agri Logistics (Harda) Limited
41.	Adani Agri Logistics (Hoshangabad) Limited
42.	Adani Agri Logistics (Satna) Limited
43.	Adani Agri Logistics (Ujjain) Limited
44.	Adani Agri Logistics (Dewas) Limited
45.	Adani Agri Logistics (Katihar) Limited
46.	Adani Agri Logistics (Kotkapura) Limited
47.	Adani Agri Logistics (Kannauj) Limited
48.	Adani Agri Logistics (Panipat) Limited

Sr. No.	Name of Entities
49.	Adani Agri Logistics (Raman) Limited
50.	Adani Agri Logistics (Nakodar) Limited
51.	Adani Agri Logistics (Barnala) Limited
52.	Adani Agri Logistics (Bathinda) Limited
53.	Adani Agri Logistics (Mansa) Limited
54.	Adani Agri Logistics (Moga) Limited
55.	Adani Agri Logistics (Borivali) Limited
56.	Adani Agri Logistics (Dahod) Limited
57.	Adani Agri Logistics (Dhamora) Limited
58.	Adani Agri Logistics (Samastipur) Limited
59.	Adani Agri Logistics (Darbhanga) Limited
60.	Dhamra Infrastructure Private Limited
61.	Adani Logistics Services Private Limited
62.	Adani Noble Private Limited
63.	Adani Forwarding Agent Private Limited
64.	Adani Cargo Logistics Private Limited
65.	Adani Logistics Infrastructure Private Limited
66.	Bowen Rail Operation Pte. Limited
67.	Bowen Rail Company Pty Limited
68	Adani Bangladesh Ports Private Limited
69	Adani Logistics International Pte Limited
B	**Joint Ventures**
1.	Adani CMA Mundra Terminal Private Limited
2.	Adani International Container Terminal Private Limited
3.	Adani NYK Auto Logistics Solutions Private Limited
4.	Dhamra LNG Terminal Private Limited
5.	Adani Total Private Limited
6.	Total Adani Fuels Marketing Private Limited
D	**Associates**
1.	Snowman Logistics Limited



Adani Ports and Special Economic Zone Limited

Registered Office : "Adani Corporate House", Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad-382421
CIN : L63090GJ1998PLC034182
Phone : 079-26565555, Fax 079-25555500, E-mail : investor.apsezl@adani.com, Website : www.adaniports.com

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		Unaudited			Unaudited		Audited
1	**Income**						
	a. Revenue from Operations	2,902.52	2,292.69	2,821.16	5,195.21	5,615.63	11,438.77
	b. Gain arising from infrastructure development at Dhamra LNG Terminal (refer note 17)	-	-	-	-	-	434.30
	Total	**2,902.52**	**2,292.69**	**2,821.16**	**5,195.21**	**5,615.63**	**11,873.07**
	c. Other Income	520.64	456.77	505.74	977.41	928.19	1,861.35
	Total Income	**3,423.16**	**2,749.46**	**3,326.90**	**6,172.62**	**6,543.82**	**13,734.42**
2	**Expenses**						
	a. Operating Expenses	750.85	606.49	737.92	1,357.34	1,407.18	3,097.26
	b. Employee Benefits Expense	147.00	140.37	135.24	287.37	267.75	546.52
	c. Finance Costs						
	- Interest and Bank Charges	488.08	423.53	563.38	911.61	1,020.66	1,950.64
	- Derivative Loss/(Gain) (net)	68.94	29.30	(43.28)	98.24	(42.97)	(137.50)
	d. Depreciation and Amortisation Expense	461.82	454.67	410.39	916.49	801.06	1,680.28
	e. Foreign Exchange (Gain)/Loss (net)	(448.03)	(37.07)	480.08	(485.10)	476.71	1,626.38
	f. Other Expenses	154.12	187.95	156.83	342.07	306.51	663.90
	Total Expenses	**1,622.78**	**1,805.24**	**2,440.56**	**3,428.02**	**4,236.90**	**9,427.48**
3	**Profit before share of profit/(loss) from joint ventures and associates, exceptional items and tax (1-2)**	**1,800.38**	**944.22**	**886.34**	**2,744.60**	**2,306.92**	**4,306.94**
4	Share of profit/(loss) from joint ventures and associates (net)	(2.86)	(1.28)	0.01	(4.14)	0.03	(4.39)
5	**Profit before exceptional items and tax (3+4)**	**1,797.52**	**942.94**	**886.35**	**2,740.46**	**2,306.95**	**4,302.55**
6	Exceptional items (refer note 18)	-	-	-	-	(58.63)	(58.63)
7	**Profit before tax (5+6)**	**1,797.52**	**942.94**	**886.35**	**2,740.46**	**2,248.32**	**4,243.92**
8	**Tax Expense/(Credit) (net) (refer note 9)**	**403.83**	**185.11**	**(172.85)**	**588.94**	**160.43**	**439.39**
	- Current Tax	441.52	194.28	135.63	635.80	506.63	707.49
	- Deferred Tax	(0.02)	19.08	(290.04)	19.06	(290.26)	(144.60)
	- Tax (credit) under Minimum Alternate Tax (MAT)	(37.67)	(28.25)	(18.44)	(65.92)	(55.94)	(103.50)
9	**Profit for the period/year (7-8)**	**1,393.69**	**757.83**	**1,059.20**	**2,151.52**	**2,087.89**	**3,784.53**
	Attributable to:						
	Equity holders of the parent	1,387.00	758.02	1,054.15	2,145.02	2,076.57	3,763.13
	Non-controlling interests	6.69	(0.19)	5.05	6.50	11.32	21.40
10	**Other Comprehensive Income**						
	Items that will not be reclassified to profit or loss						
	- Re-measurement (loss)/gain on defined benefit plans (net of tax)	(2.71)	(0.56)	(1.22)	(3.27)	(1.21)	(2.46)
	- Net Gain on FVTOCI Equity Securities (net of tax)	-	-	-	-	-	10.51
	Items that will be reclassified to profit or loss						
	- Exchange differences on translation of foreign operations	17.01	9.07	(4.42)	26.08	(4.44)	40.69
	- Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge	-	-	(5.24)	-	(16.18)	-
	- Share in other comprehensive income of joint venture (net of tax)	0.74	(12.46)	-	(11.72)	-	(12.12)
	Total Other Comprehensive Income (net of tax)	**15.04**	**(3.95)**	**(10.88)**	**11.09**	**(21.83)**	**36.62**
	Attributable to:						
	Equity holders of the parent	15.04	(3.95)	(10.88)	11.09	(21.83)	37.06
	Non-controlling interests	-	-	-	-	-	(0.44)
11	**Total Comprehensive Income for the period/year**	**1,408.73**	**753.88**	**1,048.32**	**2,162.61**	**2,066.06**	**3,821.15**
	Attributable to:						
	Equity holders of the parent	1,402.04	754.07	1,043.27	2,156.11	2,054.74	3,800.19
	Non-controlling interests	6.69	(0.19)	5.05	6.50	11.32	20.96
12	Paid-up Equity Share Capital (Face value of ₹ 2 each)	406.35	406.35	406.35	406.35	406.35	406.35
13	Other Equity excluding Revaluation Reserves as at March 31						25,217.14
14	Earnings per Share - (Face value of ₹ 2 each) Basic and Diluted (in ₹) (Not Annualised for the quarter and half year)	6.83	3.73	5.09	10.56	10.03	18.35





Consolidated Balance Sheet

(₹ In crore)

Particulars	As at September 30, 2020 Unaudited	As at March 31, 2020 Audited
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	25,464.18	25,744.92
Right-of-Use Assets	1,712.37	1,742.96
Capital Work-in-Progress	3,422.54	3,216.33
Goodwill	3,286.50	3,286.25
Other Intangible Assets	1,879.13	1,940.38
Investments accounted using Equity Method	814.03	826.01
Financial Assets		
Investments	342.86	340.10
Loans - Joint Venture Entities	1,250.26	1,264.37
Other Financial Assets		
- Bank Deposits having maturity over twelve months	1,488.74	6.90
- Other Financial Assets other than above	5,070.22	5,052.26
Deferred Tax Assets (Net)	1,024.74	1,209.62
Other Non-Current Assets	2,922.65	2,753.66
	48,678.22	**47,383.76**
Current Assets		
Inventories	290.34	288.28
Financial Assets		
Investments	-	11.89
Trade Receivables	2,128.69	2,589.09
Customers' Bills Discounted	499.88	613.05
Cash and Cash Equivalents	9,994.62	7,195.46
Bank Balance other than Cash and Cash Equivalents	203.04	118.40
Loans	7,958.07	1,784.88
Loans - Joint Venture Entities	68.00	68.00
Other Financial Assets	800.93	986.69
Other Current Assets	842.57	1,164.17
	22,786.14	**14,819.91**
Total Assets	**71,464.36**	**62,203.67**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	406.35	406.35
Other Equity	27,373.26	25,217.14
Equity attributable to Equity holders of the parent	**27,779.61**	**25,623.49**
Non-Controlling Interests	226.09	219.59
Total Equity	**28,005.70**	**25,843.08**
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	33,974.91	26,181.33
Other Financial Liabilities	722.74	734.33
Provisions	15.35	8.23
Deferred Tax Liabilities (net)	281.75	286.97
Other Non-Current Liabilities	1,417.81	1,453.26
	36,412.56	**28,664.12**
Current Liabilities		
Financial Liabilities		
Borrowings	392.03	1,544.12
Customers' Bills Discounted	499.88	613.05
Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	2.07	1.96
- total outstanding dues of creditors other than micro enterprises and small enterprises	629.47	726.78
Other Financial Liabilities	4,060.00	3,336.14
Other Current Liabilities	1,256.19	1,346.66
Provisions	116.61	106.30
Current Tax Liabilities (net)	89.85	21.46
	7,046.10	**7,696.47**
Total Liabilities	43,458.66	36,360.59
Total Equity and Liabilities	71,464.36	62,203.67

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ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Condensed Consolidated Statement of Cash flows (₹ in crore)

Sr. No.	Particulars	Half Year Ended	
		September 30, 2020	September 30, 2019
		Unaudited	
(A)	**Cash flows from operating activities**		
	Profit before taxes	2,740.46	2,248.32
	Operating Profit before working capital changes	3,239.95	3,670.32
	Net cash generated from operating activities	3,378.86	3,531.98
(B)	**Net Cash used in investing activities**	(7,562.39)	(1,891.03)
(C)	**Net Cash generated from financing activities**	6,982.69	809.64
(D)	**Net increase in cash and cash equivalents (A+B+C)**	2,799.16	2,450.59
(E)	**Cash and cash equivalents at the beginning of the year**	7,195.46	4,798.19
(F)	**Cash and Cash Equivalents on acquisition of subsidiary**	-	13.95
(G)	**Cash and cash equivalents at the end of the period**	9,994.62	7,262.73

Notes :

1 The aforesaid consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 03, 2020.

2 The Statutory Auditors have carried out limited review of Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2020.

3 The listed Non-Convertible Debentures of the Company aggregating to ₹ 8,166 crore as on September 30, 2020 (₹ 5,166 crore as on March 31, 2020) are secured by way of first pari passu charge on certain identified property, plant and equipment and intangible assets of the Company and its certain subsidiaries whereby value of underlying assets exceeds hundred percent of the principal amount of the said debentures.

4 **Details of Secured Non-Convertible Debentures and Commercial Papers are as follows:-**

Sr. No.	Particulars	Previous Due Dates from April 01, 2020 to September 30, 2020	
		Principal	Interest
	Non-Convertible Redeemable Debenture		
1	INE742F07346, INE742F07353	-	27-May-20
2	INE742F07122	-	29-Jun-20
3	INE742F07361	-	04-Jul-20
4	INE742F07122	-	28-Sep-20
	Commercial Paper		
1	INE742F14MQ2	25-Jun-20	25-Jun-20
2	INE742F14MN9	27-Jul-20	27-Jul-20
3	INE742F14MS8	18-Aug-20	18-Aug-20
4	INE742F14MR0	19-Aug-20	19-Aug-20
5	INE742F14NH9	15-Sep-20	15-Sep-20
6	INE742F14NI7	16-Sep-20	16-Sep-20
7	INE742F14NJ5	17-Sep-20	17-Sep-20
8	INE742F14MT6	18-Sep-20	18-Sep-20
9	INE742F14NM9	21-Sep-20	21-Sep-20
10	INE742F14MU4, INE742F14MW0	22-Sep-20	22-Sep-20
11	INE742F14MV2	23-Sep-20	23-Sep-20
12	INE742F14NB2	24-Sep-20	24-Sep-20
13	INE742F14NK3	25-Sep-20	25-Sep-20
14	INE742F14MX8	29-Sep-20	29-Sep-20
15	INE742F14NC0, INE742F14NF3, INE742F14NE6	30-Sep-20	30-Sep-20
16	INE742F14NL1, INE742F14NG1, INE742F14NA4	30-Sep-20	30-Sep-20
17	INE742F14ND8, INE742F14MZ3	30-Sep-20	30-Sep-20

Principal and interest have been paid on due date.

5 The Company is rated as Baa3 (Negative) by Moody's and BBB- (Negative) by Fitch and BBB- (Stable) S&P. The domestic rating agencies namely India Ratings & Research, ICRA and CARE have assigned AA+ ratings to the Company's long term Bank Facilities and Non-Convertible Debentures. The domestic rating agencies namely India Ratings & Research and ICRA have assigned A1+ for Short term Facilities – Commercial Paper.

6 The Group'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 Group has also considered the possible effects of COVID-19 on the carrying amounts of its 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. However, the impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these consolidated financial results and the Group will continue to closely monitor any material changes to future economic conditions.
Other Expenses for the quarter ended June 30, 2020 and half year ended September 30, 2020 includes contributions of ₹ 80 crore towards COVID-19 pandemic.

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ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

7 Consolidated Segment wise Revenue, Results, Assets and Liabilities :

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	Septemter 30, 2019	March 31, 2020
		Unaudited			Unaudited		Audited
i	**Segment Income**						
	a. Port and SEZ activities	2,645.07	2,062.61	2,521.73	4,707.68	5,047.73	10,741.32
	b. Others	297.43	259.58	331.42	557.01	643.68	1,270.14
	Sub-Total	**2,942.50**	**2,322.19**	**2,853.15**	**5,264.69**	**5,691.41**	**12,011.46**
	Less: Inter Segment Revenue	39.98	29.50	31.99	69.48	75.78	138.39
	Total	**2,902.52**	**2,292.69**	**2,821.16**	**5,195.21**	**5,615.63**	**11,873.07**
ii	**Segment Results**						
	a. Port and SEZ activities	1,408.90	990 30	1,359.80	2,399.20	2,709.10	5,819.89
	b. Others	(8.95)	(5.37)	43.59	(14.32)	122.20	97.98
	Sub-Total	**1,399.95**	**984.93**	**1,403.39**	**2,384.88**	**2,831.30**	**5,917.87**
	Less: Finance Costs	557.02	452.83	520.10	1,009.85	977.69	1,813.14
	Add: Interest Income	474.70	431.63	456.33	906.33	848.77	1,669.74
	Add: Other unallocable Income / (Expenditure) (Net)	479.89	(20.79)	(453.27)	459.10	(454.06)	(1,530.55)
	Profit Before Tax	**1,797.52**	**942.94**	**886.35**	**2,740.46**	**2,248.32**	**4,243.92**
iii	**Segment Assets**						
	a. Port and SEZ activities	60,159.96	44,954.32	51,155.89	60,159.96	51,155.89	52,112.35
	b. Others	3,744.55	3,716.04	3,688.79	3,744.55	3,688.79	3,738.55
	Sub-Total	**63,904.51**	**48,670.36**	**54,844.68**	**63,904.51**	**54,844.68**	**55,850.90**
	c. Unallocable	7,559.85	16,910.51	7,537.74	7,559.85	7,537.74	6,352.77
	Total Assets	**71,464.36**	**65,580.87**	**62,382.42**	**71,464.36**	**62,382.42**	**62,203.67**
iv	**Segment Liabilities**						
	a. Port and SEZ activities	5,115.38	5,505.02	4,267.57	5,115.38	4,267.57	5,324.47
	b. Others	309.98	324.83	312.08	309.98	312.08	323.81
	Sub-Total	**5,425.36**	**5,829.85**	**4,579.65**	**5,425.36**	**4,579.65**	**5,648.28**
	c. Unallocable	38,033.30	33,154.06	32,487.54	38,033.30	32,487.54	30,712.31
	Total Liabilities	**43,458.66**	**38,983.91**	**37,067.19**	**43,458.66**	**37,067.19**	**36,360.59**

a. Port and SEZ activities includes developing, operating and maintaining the Ports services, Ports related infrastructure development activities and development of infrastructure at contiguous Special Economic Zone.

b. Others in the segment information represents mainly logistics, transportation and utility business.

8 The Company had entered into preliminary agreement dated September 30, 2014 with a party for development and maintenance of Liquefied Natural Gas ("LNG") terminal infrastructure facilities at Mundra ("the LNG Project").
During the previous year ended March 31, 2020, due to the disputes between the Company and Customer with respect to construction, operation and maintenance of the LNG Project, Interim Settlement and Arbitration Agreement dated December 24, 2019 was executed. Pursuant thereto, ₹ 666 crore has been received and arbitration has been invoked by the Company. On July 08, 2020, the Company has filed its claim before Arbitral Tribunal. Subsequent to reporting date, on October 07, 2020, the customer has also filed counter claim before Arbitral Tribunal. Pending further developments, no revenue or expenses have been recorded till September 30, 2020.

9 During the previous year, pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department), the Group has re-measured the outstanding deferred tax liability that is expected to be reversed in the future at 22% plus applicable surcharge and cess. Accordingly, an amount of ₹ 304.32 crore and ₹ 14.82 crore have been written back in the Consolidated Statement of Profit and Loss and Other Equity respectively in the quarter and half year ended September 30, 2019 and year ended March 31, 2020.

10 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 and Equipment and Intangible Assets comprising of service concession rights in accordance with Ind AS 36, Impairment of Assets in case of *Adani Kandla Bulk Terminal Private Limited ("AKBTPL") and Adani Murmugao Port Terminal Private Limited ("AMPTPL")*. AKBTPL has received relaxation in the form of rationalisation on revenue share on storage income from the Port Trust in accordance with guidelines from Ministry of Shipping ("MoS"). On July 14, 2020, AMPTPL's application for the assets being classified as "Stressed Projects" in accordance with the guidelines of MoS has been concurred by Murmugao Port Trust (MPT) for the financial year 2019-20. AMPTPL vide its letter dated July 23, 2020 has requested MPT for amendment of the concession agreement and rationalisation of Tariff. MPT has sent AMPTPL's application to Tariff Authority of Major Ports (TAMP Authorities) for issuance of notification to make it effective for which approval from TAMP is awaited. In developing cash flow projections, the management has considered the benefit arising from the relaxation received / expected to be received from the Port Trust in form of rationalisation of revenue share from storage income in accordance with guidelines issued by Ministry Of Shipping. The Management has also considered economic indicators and general business conditions to make the necessary adjustments in its future projections for the possible effects of the COVID-19 event, as available to the Management on the date of these financial results. The management has considered the benefit of the above relaxation, the effects of COVID-19 event considered to be short term in nature as well as made various estimates relating to cargo traffic, port tariffs, inflation, discount rates, revenue share on income etc. considered as reasonable by the Management, over the entire concession period. On a careful evaluation of the aforesaid factors, the Management of the Company has concluded that the recoverable amount of Property, Plant and Equipment and Intangible Assets is higher than their carrying amounts as at September 30, 2020. 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 results.

11 Adani Vizhinjam Port Private Limited ("AVPPL"), a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited, is developing Vizhinjam International Deepwater Multipurpose Seaport ("Project") in terms of the Concession Agreement ("CA") dated August 17, 2015 with Government of Kerala. The scheduled milestone date to complete the Project including Commercial Operation Date ("COD") in terms of CA was December 03, 2019 which along with extended grace period of further 90 days to 270 days, from the Scheduled COD, with certain damages to the government authorities has been August 30, 2020 and as at reporting date AVPPL is yet to achieve COD obligation due to various reasons including reasons attributable to the government authorities and Force Majeure event as communicated by AVPPL to the authorities from time to time. In terms of provisions of CA, the authorities also have right to terminate the CA unless the delay is on account of reasons not in the Control of the Concessionaire which has to be agreed between the parties.

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AVPPL had started the development of the project from December 05, 2015 and completed three milestone(s) of the project although certain project work got delayed due to various force majeure events over the period of time resulting in hindrance of the progression of the project during such events as a result of which, AVPPL is yet to achieve scheduled COD of December 03, 2019. AVPPL did communicate to Vizhinjam International Sea Port Limited ("VISL", a government coordinating entity) and Department of Ports, Government of Kerala (Government Authority) and also represented in the regular Project Review meeting convened by the Government Authority about the force majeure events being reason for delays in completing the project.

As at reporting date, VISL has not accepted AVPPL's representation about various force majeure claims being the main reason for not achieving COD and also about possible revision in Project completion schedule. As a result, AVPPL has filed Dispute / Conciliation Notice with Government Authorities as per the provisions of the Concession Agreement. Till adoption of these consolidated financial results, Group is awaiting final decision of the Government on the matter included in the Dispute Notice.

Based on the various representation made by AVPPL for the reasons for delay in achieving the COD and discussions at regular Project Review meetings as well as at meeting on the Notice of Dispute convened by the regulatory authorities and minutes of meetings thereof, the management is confident about authorities will be accepting AVPPL's stand on delay due to various 'Force Majeure Events', happened during the course of the construction of the project whereby revision in the project completion schedule as per the discussion based on Conciliation Notice. Pending outcome of the matter, the management doesn't expect any contradictory action from Government Authorities including damage for delay in achieving the COD which is a sum calculated at a rate of 0.1% of the amount of performance security for each day of delay and as well as any CA termination action from the Government Authority as per the provisions of the Concession Agreement.

12 On December 27, 2019 Adani Logistics Limited ("ALL"), a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited ("APSEZL") had signed a definitive agreement to acquire 40.25% stake in Snowman Logistics Limited ("Snowman") from Gateway Distriparks Limited ("GDL"). As a part of this transaction, AL_ made a mandatory open offer and successfully acquired 26% of the public shareholding in Snowman on March 13, 2020. The transaction could not be completed due to arbitration process initiated by GDL. On July 05, 2020, ALL, GDL and Snowman entered into a settlement agreement wherein the parties have mutually resolved their disputes pursuant to which the arbitration invoked by GDL against ALL has been withdrawn and ALL continues to be minority shareholder with 26% stake.

13 During the current quarter, the Company has issued USD 750 million dollar denominated notes in the international market. The notes bear fixed interest of 4.20 % p.a. payable half yearly and fall due for repayment in August 2027.

14 Adani Logistics International Pte. Limited has been incorporated as wholly owned subsidiary company of Adani Logistics Limited (a wholly owned subsidiary company of APSEZL) on July 13, 2020.

15 The Code on Wages, 2019 and Code of Social Security, 2020 ("the Codes") relating to employee compensation and post-employment benefits that received Presidential assent and the related rules thereof for quantifying the financial impact have not been notified. The Group will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

16 Subsequent to reporting date, the Group has completed the acquisition of 75% controlling interest in Krishnapatnam Port Company Limited ("KPCL") on October 01, 2020 from its erstwhile promoters and investors at a combined enterprise value including business assets for ₹ 12,000 crore.

17 During the previous year ended March 31, 2020, on fulfilment of condition precedent of the agreement dated April 29, 2019 between Total Holdings SAS and the Group; the Group has recorded fair value gain of ₹ 434.30 crore, arising from infrastructure development of Port and LNG infrastructure at Dhamra, from erstwhile subsidiary Dhamra LNG Terminal Private Limited.

18 During the previous year, Adani Murmugao Port Terminal Private Limited ("AMPTPL") had provided ₹ 58.63 crore as provision for revenue share on deemed storage income based on our best estimates, pending conclusion of AMPTPL's arbitration with Murmugao Port Trust ("MPT") for recovery of revenue share on deemed storage income. The same is shown under exceptional item in the half year ended September 30, 2019 and previous year ended March 31, 2020.

19 During the quarter, Adani Ennore Container Terminal Private Limited ("AECTPL" or the subsidiary company) has received notice from Kamarajar Port Limited ("KPL") relating to delay in completion of a milestone of Phase II, levying liquidated damages of ₹ 29.60 crore. AECTPL sought for injunction from Hon'ble High Court of Madras and per its direction initiated arbitration and deposited ₹ 10 crore without prejudice and subject to outcome of mediation and other such remedies available in the concession agreement. The matter is under arbitration and both parties have appointed arbitrators as well as the presiding arbitrator as referred by the Hon'ble High Court of Madras. The management is confident that there should be no such levy and has contested the same attributing the delay in Phase II commencement were due to reasons beyond control of AECTPL including but not limited to delays in Phase I Project (including Force Majeure events of Cyclone Vardha), delay by the Concessioning Authority in appointing an Independent Engineer for Phase II Project, allocation of land, issuance of Phase I completion certificate, etc. Considering above, no provision of the liquidated damages claimed by KPL has been considered necessary at this stage.

20 Adani Vizag Coal Terminal Private Limited ("AVCTPL"), a subsidiary of the Company is engaged in Port services under concession from one of the port trust authorities of the Government of India. Subsequent to reporting date, on October 03, 2020, AVCTPL has received the consultation notice for *shortfall in Minimum Guarantee Cargo (MGC) from* Visakhapatnam Port Trust ("VPT"). In response to the said letter, AVCTPL *contested the said* consultation notice on the grounds that the consultation notice is not valid since notified force majeure event due to COVID-19 pandemic was still under continuances. Also since the force majeure event has exceeded 120 days, AVCTPL has initiated termination on mutual consent as per right under the concession agreement.

21 Key Numbers of Standalone Financial Results of the Company are as under :

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		Unaudited			Unaudited		Audited
i	Revenue from Operations	1,081.96	797.72	1,071.14	1,879.68	2,275.47	4,643.28
ii	Profit Before Tax	1,058.35	431.74	227.65	1,490.09	974.70	2,031.73
iii	Profit After Tax	695.72	286.58	485.80	982.30	975.03	1,934.25

The Standalone Financial results are available at the Company's website www.adaniports.com and on the website of the stock exchanges www.bseindia.com and www.nseindia.com.

For and on behalf of the Board of Directors

Gautam S Adani
Chairman & Managing Director

Place : Ahmedabad
Date : November 03, 2020

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