# Adani Krishnapatnam Container Terminal Private Limited

# Financial Statements - FY - 2020-21

**INDEPENDENT AUDITORS' REPORT**

**To,**
**The Members of**
**ADANI KRISHNAPATNAM CONTAINER TERMINAL PRIVATE LIMITED**
**Report on the Ind AS Standalone financial statements**

## Opinion

We have audited the Ind AS Standalone Financial Statements of Adani Krishnapatnam Container Terminal Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of changes in Equity for the year then ended, and notes to the Ind AS Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Standalone Financial Statements, give the information required by the Companies Act, 2013, as amended (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 (Accounting Standards) Rules 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

## Basis for opinion

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

**Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the other information. The other information comprises the information included in the Annual Report including Annexures to Board's Report and Business Responsibility Report but does not include the Ind AS Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Ind AS Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Ind AS Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Ind AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Ind AS Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Stanalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Stanalone Financial Statements.

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the Stanalone Financial Statements, including the disclosures, and whether the Standlone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".

(g) In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the Act regarding managerial remuneration is not applicable to the company since this is a private limited company.

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

i. The Company does not have any pending litigation which would impact its financial position;

ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

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

**FOR C. VENKAT KRISHNA & CO**
**CHARTERED ACCOUNTANTS**

**FIRM REGD NO.004599S**

**Place: Hyderabad**
**Date : 27/04/2021**

**(U. GOPALAKRISHNA MURTHY)**
**PARTNER**
**Membership No: 025824**

## ANNEXURE – A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of **Adani Krishnapatnam Container Terminal Private Limited** ('The Company') for the year ended 31st March 2021, we report that:

i. In respect of the fixed assets of the Company:

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

(b) Fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no discrepancies were noticed on such verification.

(c) According to the information and explanations given to us the company do not hold any immovable properties hence this clause is not applicable to the Company.

ii. The Company do not have any inventories/stocks of materials, hence clause (ii) of pargraph 3 the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Llimited Lliability Partnerships or Other parties covered in the Register maintained under Section 189 of the Act. Accordigly, the provisions of Clause 3(iii)(a),(b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. According to the information and explanations given to us, the company has neither granted any loans nor made investments or has given guarantees or security to the persons specified undr Section 185 of the Act. Accordignly cluase 3(iv) of the Order is not applicable to the company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of Act and the Companies (Acceptance of Deposits) Rules 2014, as amended. Therefore, the provisions of the clause (v) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

vi. To the best of our knowledge and as informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the services rendered by the Company.

vii. (a) According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including, provident fund, ESI, Income Tax, VAT, Service Tax, GST, Duty of Customs, Duty of Excise, Cess and other statutory dues. According to the information and explanations given to us there were no undisputed amounts payable in respect of the above.

(b) According to the information and explanations given to us, there are no dues which have not been deposited on account of any dispute with respect to Income Tax, Provident fund, ESI, VAT, Entry Tax, GST, WCT, Duty of Customs, Duty of Excise, Service tax or other Statutory dues.

viii. In our opinion and according to the information and explanations provided by the management, the Company has not borrowed from Banks, Financial Institutions or the Government nor raised funds by issuing debentures..

ix. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised monies by way of initial public offer or further public offer including debt instruments and term loans. Hence the provisions of clause (ix) of paragraph 3 of the Order is not applicable to the Company.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view on the Ind AS Standalone Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. The provisions of Section 197 of the Act, regarding managerial remuneration is not applicbale to private limited companies. This being a private company, clause 3(xi) of paragraph 3 of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations provided by the management, the transactions with related parties are in compliance with sections 177 and 188 of the Act and the details of such transactions have been disclosed in the Ind AS Standalone Financial Statements as required by the applicable Accounting Standards.

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

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations provided by the management the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**FOR C. VENKAT KRISHNA & CO**
**CHARTERED ACCOUNTANTS**
**FIRM REGD NO.004599S**

**Place: Hyderabad**
**Date: 27/04/2021**

**(U. GOPALAKRISHNA MURTHY)**
**PARTNER**
**MEMBERSHIP NO : 025824**

## ANNEXURE-B" TO THE INDEPENDENT AUDITORS' REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of of Adani Krishnapatnam Container Terminal Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the Ind AS Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note) 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 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 Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and, both issued by the ICAI. 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 with reference to these Ind AS Standalone Financial Statements 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 with reference to these Ind AS Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS Standalone Financial Statements, 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 auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these Ind AS Standalone Financial Statements.

**Meaning of Internal Financial Controls over Financial Reporting with reference to these Ind AS Standalone Financial Statements**

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Ind AS Standalone Financial Statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR C. VENKAT KRISHNA & CO**
**CHARTERED ACCOUNTANTS**
**FIRM REGD NO.004599S**

**(U. GOPALAKRISHNA MURTHY)**
**PARTNER**
**MEMBERSHIP NO : 025824**

**Place: Hyderabad**
**Date: 27/04/2021**

**Adani Krishnapatnam Container Terminal Private Limited**
**(Formerly Navayuga Container Terminal Pvt Ltd)**
**Balance Sheet as at March 31, 2021**

(₹ in Crores)

| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 3 | 0.70 | 0.94 |
| Right of Use Assets | 3 | - | - |
| Capital Work-in-Progress | | - | - |
| Investment property | 5 | - | - |
| Goodwill | 6 | - | - |
| Other Intangible assets | 3 | - | - |
| Intangible assets under development | 6 | - | - |
| **Financial Assets** | | | |
| Investments | 5 | - | - |
| Trade receivables | 8 | - | - |
| Loans | 9 | - | - |
| Other Financial Assets | 4 | - | - |
| Other Non Current Assets | 5 | 1.92 | 5.41 |
| Deferred tax assets (net) | 17 | - | 0.25 |
| | | **2.62** | **6.60** |
| **Current Assets** | | | |
| Inventories | 7 | - | - |
| **Financial Assets** | | | |
| (i) Investments | 6 | - | - |
| (ii) Trade Receivables | 8 | 18.77 | 0.67 |
| (iii) Cash and Cash Equivalents | 9 | 0.67 | 1.40 |
| (iv) Bank balances other than (iii) above | 10 | - | - |
| (v) Other Financial Assets | 4 | 0.04 | 0.85 |
| Other Current Assets | 5 | 12.52 | 6.95 |
| | | **32.00** | **9.86** |
| **Total Assets** | | **34.62** | **16.46** |
| **Equity And Liabilities** | | | |
| **Equity** | | | |
| Equity Share Capital | 11 | 0.01 | 0.01 |
| Other Equity | 12 | 13.72 | 4.83 |
| **Total equity** | | **13.73** | **4.84** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| (i) Shareholders' Loan | 13 | - | - |
| (i) Borrowings | 13 | - | - |
| (ii) Other Financial Liabilities | 14 | - | - |
| Provisions | 16 | 1.72 | 2.70 |
| Deferred tax liabilities (net) | 17 | 0.19 | - |
| Other non-current liabilities | 18 | - | - |
| | | **1.91** | **2.70** |
| **Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| (i) Trade Payables | 15 | | |
| - total outstanding dues of micro enterprises and small enterprises | | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 7.76 | 3.78 |
| (ii) Other Financial Liabilities | 14 | 2.50 | 0.94 |
| Provisions | 16 | 0.02 | 0.00 |
| Other Current Liabilities | 18 | 8.70 | 4.21 |
| | | **18.98** | **8.93** |
| **Total Liabilities** | | **20.89** | **11.63** |
| **Total Equity and Liabilities** | | **34.62** | **16.46** |

The accompanying notes form an integral part of financial statements 1 - 34

As per our report of even date
**For C Venkat Krishna & Co**
Chartered Accountants

For and on behalf of Board of Directors
**Adani Krishnapatnam Container Terminal Private Limited**
**(Formerly Navayuga Container Terminal Pvt Ltd)**

**U Gopalakrishna Murthy**
Partner

**Avinash Chand Rai**
Director
DIN: 08406981
Place: Nellore

**B G Gandhi**
Director
DIN: 08901624
Place: Nellore

**Place: Hyderabad**
**Date: April 27, 2021**

**Date: April 27, 2021**

**Adani Krishnapatnam Container Terminal Private Limited**
**(Formerly Navayuga Container Terminal Pvt Ltd)**

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**Statement of Profit and Loss for the year ended March 31, 2021**

(₹ in Crores)

| Particulars | Notes | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| **Income** | | | |
| Revenue from Operations | 19 | 96.31 | 105.49 |
| Finance Income | 20 | - | - |
| Other Income | 20 | 0.10 | 0.04 |
| **Total Income** | | **96.42** | **105.53** |
| | | | |
| **Expenses** | | | |
| Operating expenses | 21 | 76.24 | 88.28 |
| Employee benefits expense | 22 | 7.02 | 11.46 |
| Finance Costs | 23 | 0.03 | 0.02 |
| Depreciation and Amortization Expense | 3 | 0.24 | 0.20 |
| Foreign Exchange Loss (net) | | - | 0.06 |
| Other Expenses | 24 | 2.83 | 7.67 |
| **Total Expenses** | | **86.35** | **107.69** |
| **Loss Before Tax** | | **10.07** | **(2.16)** |
| **Tax Expense:** | 25 | | |
| Current Tax | | 2.23 | - |
| Adjustment of tax relating to earlier periods | | - | - |
| Deferred Tax | | 0.10 | (0.09) |
| Less: MAT credit entitlement | | - | - |
| **Total Tax Expense** | | **2.33** | **(0.09)** |
| | | | |
| **Income /(Loss) for the Year** | | **7.74** | **(2.07)** |
| | | | |
| **Other Comprehensive Income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Re-measurement gains/(loss) on defined benefit plans | | 1.49 | 0.52 |
| Income Tax effect | | (0.34) | (0.12) |
| **Items that may be reclassified to profit or loss** | | **-** | **-** |
| **Total Other Comprehensive Income/(Loss) (net of tax)** | | **1.15** | **0.40** |
| **Total Comprehensive (Loss) for the year** | | **8.89** | **(1.67)** |
| | | | |
| Basic and diluted earnings / (loss) per equity share (in ₹) (face value of ₹ 10 each) | 26 | **8,892.60** | **(1,668.89)** |

The accompanying notes form an integral part of financial statements. 1-35

As per our report of even date
**For C Venkat Krishna & Co**
Chartered Accountants

For and on behalf of Board of Directors
**Adani Krishnapatnam Container Terminal Private Limited**
**(Formerly Navayuga Container Terminal Pvt Ltd)**

**U Gopalakrishna Murthy**
Partner

**Avinash Chand Rai**
Director
DIN: 08406981
Place: Nellore

**B G Gandhi**
Director
DIN: 08901624
Place: Nellore

**Place: Hyderabad**
**Date: April 27, 2021**

**Date: April 27, 2021**

**Adani Krishnapatnam Container Terminal Private Limited**
**(Formerly Navayuga Container Terminal Pvt Ltd)**

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

(₹ in Crores)

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| **Profit before tax** | 10.07 | (2.16) |
| Adjustments for: | | |
| Loss on sale / discard of fixed assets (net) | - | - |
| Excess provision written back | | - |
| Rent Income | | |
| Depreciation and amortisation expense | 0.24 | 0.20 |
| Interest income | (0.02) | - |
| Income from dividend | | - |
| Net (gain)/loss on sale of current investments | - | - |
| Finance Costs | 0.03 | - |
| Unrealised (gain)/loss on derivative swap contracts (net) | - | - |
| **Operating profit before working capital changes** | **10.32** | **(1.96)** |
| | | |
| Movements in working capital : | | |
| Decrease/(Increase) in trade receivables | (18.10) | 26.78 |
| (Increase) in inventories | - | - |
| (Increase) in financial assets | 0.81 | - |
| (Increase) in other assets | (2.81) | (21.10) |
| Increase/(Decrease) in trade payables | 3.98 | (5.94) |
| Increase in other liabilities | 4.49 | 3.22 |
| Increase in financial liabilities | 1.56 | - |
| (Decrease) in provisions | (0.96) | - |
| Cash generated from operations | **(0.72)** | **1.01** |
| Direct taxes paid (net of refunds) | | - |
| **Net cash generated from Operating Activities (A)** | **(0.72)** | **1.01** |
| | | |
| **Cash Flows from Investing Activities** | | |
| Purchase of Property, Plant and Equipments (Including capital work In progress, capital advances, capital creditors & other intangible assets) | - | (0.35) |
| Interest received | 0.02 | - |
| Purchase/sale of investment in Mutual Fund (net) ( refer note - 2) | - | - |
| (Deposit)/Realisation of margin money | - | - |
| **Net cash (used in) Investing Activities (B)** | **0.02** | **(0.35)** |
| | | |
| **Cash Flows from Financing Activities** | | |
| Proceeds from Issuance of Share Capital | | - |
| Loss on derivative swap contracts | | - |
| Repayment of Lease Liability | - | - |
| Interest & Finance Charges paid | (0.03) | - |
| **Net cash (used in)/generated from Financing Activities (C)** | **(0.03)** | **-** |
| **Net increase / (decrease) in cash and cash equivalents (A + B + C)** | (0.73) | 0.65 |
| Cash and cash equivalents at the beginning of the year | 1.40 | 0.74 |
| **Cash and cash equivalents at the end of the year (Refer Note - 9)** | **0.67** | **1.40** |
| | | |
| **Component of Cash and Cash equivalents** | | |
| Balances with scheduled bank | | |
| On current accounts | 0.67 | 1.40 |
| **Total cash and cash equivalents** | **0.67** | **1.40** |

The accompanying note are an integral part of the financial statements
(1) The Statement of Cash flows has been prepared under the Indirect method as set out in Ind AS 7 – Statement of Cash flows notified under section 133 of The Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

**As per our report of even date**

**For C Venkat Krishna & Co**
Chartered Accountants

**U Gopalakrishna Murthy**
Partner

**Place: Hyderabad**
**Date: April 27, 2021**

For and on behalf of Board of Directors of

**Avinash Chand Rai**
Director
DIN: 08406981
Place: Nellore

**B G Gandhi**
Director
DIN: 08901624
Place: Nellore

**Date: April 27, 2021**

**Adani Krishnapatnam Container Terminal Private Limited**
**(Formerly Navayuga Container Terminal Pvt Ltd)**
**Statement of Changes in Equity for the year ended March 31, 2021**

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(₹ in Crores)

| Particulars | Equity Share Capital | Other Equity | Total |
|---|---|---|---|
| | | Retained Earning | |
| **Balance as at April 01, 2019** | 0.01 | 6.38 | 6.39 |
| (Loss) for the year | - | (2.07) | (2.07) |
| Other Comprehensive Income - Re-measurement gains/(losses) on defined benefit plans (Net of Tax) | - | 0.52 | 0.52 |
| **Total Comprehensive Income for the year** | - | (1.55) | (1.55) |
| **Balance as at March 31, 2020** | 0.01 | 4.83 | 4.84 |
| Profit for the year | - | 7.74 | 7.74 |
| Other Comprehensive Income - Re-measurement gains/(losses) on defined benefit plans (Net of Tax) | - | 1.15 | 1.15 |
| **Total Comprehensive Income for the year** | - | 8.89 | 8.89 |
| **Balance as at March 31, 2021** | 0.01 | 13.72 | 13.73 |

The accompanying notes form an integral part of financial statements.

As per our report of even date
**For C Venkat Krishna & Co**
Chartered Accountants

For and on behalf of Board of Directors

**U Gopalakrishna Murthy**
Partner

**Place: Hyderabad**
**Date: April 27, 2021**

**Avinash Chand Rai**
Director
DIN: 08406981
Place: Nellore

**Date: April 27, 2021**

**B G Gandhi**
Director
DIN: 08901624
Place: Nellore

**1 Corporate Information**

Adani Krishnapatnam Container Terminal Private Limited (formerly know as Navayuga Container Terminal Private Limited) was incorporated on September 17, 2012 with the object of carrying on the business by operating as a Multimodal Transport Operators (MTOs), general carriers of international and domestic cargo within India and abroad, by all modes of transport such as road, rail, sea, air, inland water transport and ropeways including combination of two or more modes of transport. The Company also carrying on the business of developing, operating, controlling, running and managing Inland Container Depots (ICDs) etc. The Company became a Wholly Owned Subsidiary of Krishnapatnam Port Company Limited w.e.f October 1, 2012.

**2 Basis of preparation of financial statements**

**Basis of preparation**

The financial statements of the company have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under Companies (Indian Accounting Standard) Rules,2015 as amended from time to time. The company has prepared the financial statements to comply in all material aspects with Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 besides the pronouncements/guidelines of the Institute of Chartered Accountants of India. The financial statements have been prepared on an accrual basis.

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

a) Derivative financial instruments
b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

These financial statements are presented in INR and values are rounded off to nearest crores except when otherwise indicated.

**Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**3 Significant Accounting Policies**

**a) Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

**b) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount
The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with the date of initial application being April 1, 2018.

**Container Terminal Revenue**

Revenue from port operation services including container handling, storage are recognised on proportionate completion basis method based on the services completed till reporting date. Revenue is recognised based on the actual services provided to the end of reporting period as proportion of total services to be provided. The amount recognized as a revenue is exclusive of indirect taxes wherever applicable.

**Interest 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 Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**c) Property, plant and equipment and Capital work in progress**

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in

Gains or losses arising from derecognition of property, plant and equipment 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 and loss when the asset is derecognized.

Foreign Exchange Fluctuation gain/loss arising on translation of Long Term Borrowings as at the reporting date attributable to the acquisition of Fixed Assets has been adjusted to Capital Work In Progress or Tangible Fixed Assets in terms of the Ministry of Corporate Affairs (MCA) Notification No. G.S.R 913(E) Dated 29.12.2011.

Depreciation on plant, property and equipment is calculated on a straight-line basis over the estimated useful lives of the asset. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company considered the useful life as prescribed under Schedule II of the Companies Act 2013 for the purposes of depreciation . No residual value is considered. Depreciation on additions to fixed assets and sale of fixed assets are provided on pro-rata basis.
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.

**d) Intangible assets**
Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet at cost less accumulated depreciation. The Company has elected to consider the previous GAAP carrying amount of the intangible assets as the demand cost as at the date of transition, viz.,1 April 2015.
Intangible assets acquired separately are measured on initial recognition at cost. 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.

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. 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 and loss when the asset is derecognized.

**e) Taxes**
**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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or 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 liability method 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 In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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. Where there is deferred tax assets are arising from carry forward of unused tax losses and unused tax credits, they are recognised to the extent of

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 taxable profit will be available to allow all or part of the deferred tax asset to be utilised. 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

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. Deferred tax liability or asset in respect of timing differences which originate during the tax holiday period and reverse within the tax

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

**Accounting for GST Tax Credit**

i) GST on service obligations in respect of in-put services is deducted from the costs of respective total service.

ii) In respect of exempted services rendered by the company, service tax /GST on in-put services has been charged to the statement of profit and loss as expense.

**f) Financial Instruments**

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

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

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

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Debt instrument at FVTOCI**

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at 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. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Derecognition**

A financial asset is primarily derecognised when:

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

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

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

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
b) Financial assets that are debt instruments and are measured as at 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.
e) Loan commitments which are not measured as at FVTPL
f) Financial guarantee contracts which are not measured as at FVTPL

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL 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 expenses' in the 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, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- **Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.

- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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 FVTPL and as at amortised cost.

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.

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

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

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

**Financial liabilities at FVTPL**

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

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

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 profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

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

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

The following table shows various reclassification and how they are accounted for:

| **S.No** | **Original classification** | **Revised classification** | **Accounting treatment** |
|---|---|---|---|
| 1 | Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the statement of profit and loss |
| 2 | FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| 3 | Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| 4 | FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| 5 | FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| 6 | FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to the statement of profit and loss at the reclassification date. |

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

**g) Impairment of non financial assets**

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

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

**h) Provisions**

**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.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

**Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

**i) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

Remeasurements, 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. Remeasurements are not reclassified to profit or loss in subsequent periods.

**j) Cash and cash equivalents**

Cash and cash equivalent 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.

**k) Earnings per share**

The basic earnings per share are computed by dividing the net 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 net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**l) k) The following standard have been notified/amendments made by the Ministry of Corporate Affairs, Govt of India.**

a. Ind AS 116 – Leases (effective from April 1, 2019)
b. Ind AS accounting policies, changes in accounting estimates and errors.
c. Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments: (effective from April 1, 2019)
d. Amendments to Ind AS 12, Income Taxes: (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

## Adani Krishnapatnam Container Terminal Private Limited (Formerly Navayuga Container Terminal Pvt Ltd)
## Notes to Financial statements for the year ended March 31, 2021
### Note 3 Property, Plant and Equipment, Intangible Assets

₹ in Crores

| Particulars | Property, Plant and Equipment | | | | | | | | Intangible assets | | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Leasehold Land | Communication Equipments | Computer Hardware | Office Equipments | Plant & Machinery | Furniture & Fixtures | Vehicles - Other than finance lease | Total | Software | Total | |
| **Cost** | | | | | | | | | | | |
| **As at April 1, 2019** | - | 0.40 | 0.00 | 0.04 | 0.38 | 0.07 | 0.01 | **0.90** | **0.05** | **0.05** | **0.95** |
| Additions | - | - | 0.10 | 0.02 | 0.03 | 0.20 | - | **0.35** | - | - | **0.35** |
| Deductions/Adjustment | - | - | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2020** | - | **0.40** | **0.10** | **0.06** | **0.41** | **0.26** | **0.01** | **1.25** | **0.05** | **0.05** | **1.30** |
| Additions | - | - | - | - | - | - | - | - | - | - | - |
| Deductions/Adjustment | - | - | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2021** | - | **0.40** | **0.10** | **0.06** | **0.41** | **0.26** | **0.01** | **1.25** | **0.05** | **0.05** | **1.30** |
| **Depreciation/Amortisation** | | | | | | | | | | | |
| **As at April 1, 2019** | - | 0.10 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | **0.11** | **0.05** | **0.05** | **0.16** |
| Depreciation for the year | - | 0.14 | 0.01 | 0.01 | 0.03 | 0.02 | 0.00 | **0.20** | - | - | **0.20** |
| Deductions/(Adjustment) | - | - | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2020** | - | **0.23** | **0.01** | **0.02** | **0.04** | **0.02** | **0.00** | **0.32** | **0.05** | **0.05** | **0.37** |
| Depreciation for the year | - | 0.13 | 0.03 | 0.01 | 0.03 | 0.03 | 0.00 | **0.24** | - | - | **0.24** |
| Deductions/(Adjustment) | - | - | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2021** | - | **0.37** | **0.04** | **0.03** | **0.06** | **0.05** | **0.00** | **0.55** | **0.05** | **0.05** | **0.60** |
| **Net Block** | | | | | | | | | | | |
| **As at March 31, 2020** | - | **0.17** | **0.09** | **0.05** | **0.38** | **0.24** | **0.01** | **0.94** | - | - | **0.94** |
| **As at March 31, 2021** | - | **0.04** | **0.06** | **0.03** | **0.35** | **0.22** | **0.00** | **0.70** | - | - | **0.70** |

| 4 Other Financial Assets | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| **Current** | | |
| Security deposits | | |
| - considered good | - | 0.26 |
| Interest accrued on deposits and loans | - | - |
| Loans and advances to employees | 0.04 | 0.58 |
| | **0.04** | **0.85** |

| 5 Other Assets | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| **Non Current** | | |
| **Capital Advances** | | |
| Unsecured, considered good | - | - |
| | **-** | **-** |
| Taxes Recoverable (Refer Note - 25) | 1.92 | 5.41 |
| | **1.92** | **5.41** |
| | **1.92** | **5.41** |
| **Current** | | |
| Balances with Government authorities | 5.60 | 2.90 |
| Prepaid Expenses | - | 0.01 |
| Advances recoverable other than in cash | 6.80 | 3.90 |
| Export benefit and other receivables | 0.12 | 0.13 |
| | **12.52** | **6.95** |
| | **12.52** | **6.95** |
| Advances recoverable other than in cash | - | 3.81 |

| 6 Investments | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| | **-** | |
| **Current** | | |
| **Finanncial Assets at fair value through Profit or Loss (FVTPL)** | | |
| Investment in units of mutual funds - quoted | - | - |
| | **-** | **-** |

| 7 Inventories<br>**(at lower of cost and net realisable value)** | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| Stores and spares | - | - |
| | **-** | **-** |

| 8 Trade Receivables | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| **Current** | | |
| **Unsecured considered good unless stated otherwise** | | |
| - Considered Good | 18.77 | 0.67 |
| - Credit Impaired | - | - |
| Less : | | |
| - Provision for Credit Impaired | - | - |
| | **18.77** | **0.67** |

| 9 Cash and Cash Equivalents | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| **Balances with Banks:** | | |
| Balance in Current Account | 0.67 | 1.40 |
| **Other Bank Balance** | | |
| Deposits with original maturity of less than three months | - | - |
| | **0.67** | **1.40** |

| 10 Other Bank balances | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| Margin Money deposits | - | - |
| Deposits with original maturity over 3 months but less than 12 months | - | - |
| | **-** | **-** |

| **11 Equity Share Capital** | **March 31, 2021** ₹ in Crores | **March 31, 2020** ₹ in Crores |
|---|---|---|
| **Authorised shares** | | |
| 10,000 Equity Shares of ₹ 10 each ( 10,000 Equity Shares of ₹ 10 each as at March 31, 2020) | 0.01 | 0.01 |
| | **0.01** | **0.01** |
| **Issued, subscribed and fully paid up share capital** | | |
| 10,000 Equity Shares of ₹ 10 each ( 10,000 Equity Shares of ₹ 10 each as at March 31, 2020) | 0.01 | 0.01 |
| | **0.01** | **0.01** |

**Notes:**

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

| | **March 31, 2021** | | **March 31, 2020** | |
|---|---|---|---|---|
| | **No.** | **₹ in Crores** | **No.** | **₹ in Crores** |
| As the beginning of the year | 10,000 | 0.01 | 10,000 | 0.01 |
| As the end of the year | **10,000** | **0.01** | **10,000** | **0.01** |

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

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

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

| **12 Other Equity** | **March 31, 2021** ₹ in Crores | **March 31, 2020** ₹ in Crores |
|---|---|---|
| **Retained Earnings** | | |
| Opening Balance | 4.83 | 6.38 |
| Less.: Share Issue Expense | - | - |
| Add : Profit/(Loss) for the year | 8.89 | (1.55) |
| | **13.72** | **4.83** |

| **13 Borrowings** | **March 31, 2021** ₹ in Crores | **March 31, 2020** ₹ in Crores |
|---|---|---|
| **<u>Non-Current</u>** | | |
| Shareholders' Loan | - | - |
| **Long term Borrowings** | | |
| | **-** | **-** |
| **<u>Current maturities of long term borrowings</u>** | | |
| Short term borrowings from banks under suppliers credit | | |
| **Total current maturities of long term borrowings** | **-** | **-** |
| | **-** | **-** |

| **14 Other Financial Liabilities** | **March 31, 2021** ₹ in Crores | **March 31, 2020** ₹ in Crores |
|---|---|---|
| **<u>Non-Current</u>** | | |
| Interest accrued but not due on borrowings | - | - |
| | **-** | **-** |
| **<u>Current</u>** | | |
| Other current financial liabilities | - | - |
| Deposits from customers | 0.99 | 0.81 |
| Bank Over draft | - | - |
| Capital creditors and retention money | 1.51 | - |
| Other Payables (including Discount) | - | 0.12 |
| Obligations under lease land | - | - |
| | **2.50** | **0.94** |
| Payables to related parties (Non-Current & Current) (Refer Note - 32) | - | |

| **15 Trade Payables** | **March 31, 2021** ₹ in Crores | **March 31, 2020** ₹ in Crores |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (refer note 34) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 7.76 | 3.78 |
| | **7.76** | **3.783** |
| Payables to related parties | - | 0.32 |

| 16 Provisions | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| **Non-current** | | |
| Provision for gratuity | 1.06 | 1.35 |
| Provision for leave encashment | 0.66 | 1.35 |
| | **1.72** | **2.70** |
| **Current** | | |
| Provision for gratuity | 0.01 | 0.0016 |
| Provision for leave encashment | 0.01 | 0.0033 |
| | **0.02** | **0.00** |

| 17 Deferred tax liabilities/Assets (net) | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| Deferred tax liability | 0.19 | - |
| | **0.19** | **-** |
| Deferred tax assets | - | 0.25 |
| | **-** | **0.25** |

| 18 Other Liabilities | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| **Current** | | |
| Unearned revenue | 0.43 | - |
| Statutory liabilities | 1.64 | 1.91 |
| Other Non-Current liabilities (deposit received) | - | - |
| Advance from Customers | 6.63 | 2.29 |
| | **8.70** | **4.21** |

(This space has been left intentionally blank.)

| 19 Revenue from Operations | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| **Revenue from Contract with Customers** | | |
| - Income from Port Operations | 96.30 | 105.49 |
| Land Lease, Upfront Premium and Deferred Infrastructure Income | 0.02 | - |
| Income from port operations (Inclusing related Infrastructure) | | |
| | **96.31** | **105.49** |

| 20 Other Income | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| Interest Income on | | |
| - Customers and others | 0.02 | - |
| Miscellaneous Income | 0.09 | 0.04 |
| | **0.10** | **0.04** |

| 21 Operating Expenses | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| Cargo handling /Other charges to sub-contractors | 59.02 | 77.47 |
| Terminal Royalty Expenses | 2.51 | 2.74 |
| Railway Operating Expenses | 3.24 | 4.75 |
| Repairs to Plant & Machinery | 0.02 | - |
| Store & Spares consumed | 2.98 | 0.32 |
| Power & Fuel | 8.47 | 3.00 |
| | **76.24** | **88.28** |

| 22 Employee benefit expense | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| Salaries and Wages | 5.63 | 8.13 |
| Contribution to Provident and Other Funds | 0.16 | 0.27 |
| Gratuity (refer note - 33) | 0.49 | 0.52 |
| Staff Welfare Expenses | 0.74 | 2.54 |
| | **7.02** | **11.46** |

| 23 Finance Costs | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Interest on** | ₹ in Crores | ₹ in Crores |
| Interest on Income Tax | 0.03 | 0.02 |
| | **0.03** | **0.02** |
| (Gain)/Loss on Derivatives / Swap Contracts (net) | - | - |
| | **0.03** | **0.02** |

| 24 Other Expenses | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| Rent Expense | 0.39 | 0.68 |
| Rates and Taxes | 0.05 | - |
| Insurance | - | - |
| Advertisement and Publicity | 0.09 | 0.10 |
| Other Repairs and Maintenance | 0.18 | 0.04 |
| Legal and Professional Expenses | 0.73 | 3.79 |
| Payment to Auditors (refer note (a) below) | 0.07 | 0.06 |
| Communication Expenses | 0.08 | 0.18 |
| Office Expenses | 0.10 | 0.12 |
| Travelling and Conveyance | 0.06 | 1.45 |
| Miscellaneous Expenses | 1.07 | 1.24 |
| | **2.83** | **7.67** |

| a) 'Payment to Auditor | March 31, 2021<br>₹ in Crores | March 31, 2020<br>₹ in Crores |
|---|---|---|
| **As Auditor:** | | |
| Audit fee | 0.04 | 0.03 |
| Limited review | 0.01 | - |
| **In other Capacity** | | |
| Certification Fees | 0.01 | - |
| Other Services | 0.01 | 0.03 |
| | **0.07** | **0.06** |

**25 Income Tax**

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

| a) Statement of profit and loss | For the year ended<br>March 31, 2021<br>₹ in Crores | For the year ended<br>March 31, 2020<br>₹ in Crores |
|---|---|---|
| **Current income tax:** | | |
| Current income tax charge | 2.23 | - |
| Adjustment in respect of current income tax of previous years | - | - |
| **Deferred Tax:** | | |
| Deferred Tax Charge | 0.10 | (0.09) |
| **Income tax expenses reported in statement of profit and loss** | **2.33** | **(0.09)** |

| **b) Balance Sheet section** | **March 31, 2021**<br>₹ in Crores | **March 31, 2020**<br>₹ in Crores |
|---|---|---|
| Advance Income Tax (net) (refer note - 5) | 1.92 | 5.41 |
| Liabilities for Current Taxes (net) | - | - |
| Deferred tax liabilities (net) | 0.19 | (0.25) |
| | **1.73** | **5.16** |

**c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2021 and March 31, 2020**

| | **March 31, 2021** | | **March 31, 2020** | |
|---|---|---|---|---|
| | % | ` **in Crores** | % | ` **in Crores** |
| **(Loss) Before tax** | | 10.07 | | (2.16) |
| Income tax expense calculated at 27.82% (2019-20: 26%) | 27.82% | 2.80 | 26.00% | (0.56) |
| **Tax Effect of:** | | | | |
| Expenditure not allowed for Tax Purpose | - | | (0.00) | 0.00 |
| Unabsorbed losses and depreciation on which Deferred Tax Asset is not recognised | -5.69% | (0.57) | (0.00) | 0.00 |
| Unrecognized tax credit for the current year | | | -26% | 0.56 |
| Liability not recognised on timing difference on PPE & Intangibles reversing during tax holiday period | - | | (0.00) | 0.00 |
| Other timing differences | 0.98% | 0.10 | 4.30 | (0.09) |
| **Effective tax rate** | **23%** | **2.33** | **4.31%** | **(0.09)** |

**(d) Deferred tax relates to following**

| **Particulars** | | **Balance Sheet as at** | | **Statement of Profit and Loss** | |
|---|---|---|---|---|---|
| | | **31-Mar-21**<br>**₹ in Crores** | **31-Mar-20**<br>**₹ in Crores** | **31-Mar-21**<br>**₹ in Crores** | **31-Mar-20**<br>**₹ in Crores** |
| (Liability) on unrealised exchange variation and on other adjustments | | - | | | - |
| Asset on accelerated depreciation for tax purpose | | 0.04 | 0.02 | 0.02 | 0.01 |
| (liability)/ Asset on Expenditure allowed on payment basis | | 0.12 | 0.23 | (0.11) | 0.08 |
| Other temporary differences | | (0.34) | - | - | - |
| Fair value of investment through OCI | | - | | - | - |
| MAT credit entitlement | | | | | |
| **Deferred tax liabilities** | **-** | **(0.19)** | **0.25** | **(0.10)** | **0.09** |

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(All amounts are in crores of Indian Rupees, unless otherwise stated)

| | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **26** | **Earnings per share** | | |
| | Profit for the year attributable to owners of the Company | 7.74 | (2.07) |
| | Weighted average number of ordinary shares outstanding (10,000 shares) | 0.00 | 0.0 |
| | Basic earnings per share (Rs) | 7,742.10 | (2,069.48) |
| | Diluted earnings per share (Rs) | 7,742.10 | (2,069.48) |

| | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **27** | **Earnings in foreign currency** | | |
| | Deemed export income from Container Terminal Handling (Income received from Export and Import Transactions to the other countries based on the dollar denominated tariff) | - | 9,481.94 |
| | | - | 9,481.94 |
| **28** | **Expenditure in foreign currency** | | |
| | Travel & Boarding expenses | - | 25.48 |
| | Expenses towards Intangibles under development | - | - |
| | Import of plant and machinery | - | - |
| | | **-** | **25.48** |

**29 Commitments and contingent liability**

| | | |
|---|---|---|
| **Contingent Liability** | | |
| Claims against the Company not acknowledged as debts | **NIL** | **NIL** |
| **Commitments** | | |
| Capital commitments (net of advances) not provided for | **NIL** | **NIL** |

**30 Operating Segments**

The Company is operating in only one segment i.e. "Container Terminal" and hence there are no operating segments to be reported under Ind AS 108, 'Operating Segments'.

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(All amounts are in crores of Indian Rupees, unless otherwise stated)

**31 Financial Instruments**

**Capital management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity.

The capital structure of the Company consists of total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

| **Gearing Ratio:** | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| Debt | - | - |
| Less: Cash and bank balances | 0.67 | 1.40 |
| Net debt | (0.67) | (1.40) |
| | | |
| Total equity | 13.73 | 4.84 |
| Net debt to equity ratio (%) | -4.88% | -28.90% |

| **Categories of Financial Instruments** | **March 31, 2021** | **March 31, 2020** | |
|---|---|---|---|
| **Financial assets** | | | |
| **a. Measured at amortised cost** | | | |
| Trade receivables | 18.77 | 0.67 | |
| Cash and cash equivalents | 0.67 | 1.40 | |
| Short Term Loans and Advances | - | - | |
| Other current financial assets | - | - | |
| | **March 31, 2021** | **March 31, 2020** | |
| **b. Mandatorily measured at fair value through profit or loss (FVTPL)** | | | |
| Investments | - | - | |
| Derivative instruments | - | - | |
| **Financial liabilities** | | | |
| **a. Measured at amortised cost** | | | |
| Trade payables | 7.76 | 3.78 | |
| **b. Mandatorily measured at fair value through profit or loss (FVTPL)** | | | |
| Derivative instruments | - | - | - |

**Financial risk management objectives**

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

**Foreign currency sensitivity analysis**
The Company has no foreign currency exposure

**Offsetting related disclosures**
Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

**Liquidity risk management**
Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

**Liquidity tables**
The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

| March 31, 2021 | Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|---|---|---|---|---|
| Trade payables | | | | |
| March 31, 2021 | 7.76 | - | - | 7.76 |
| March 31, 2020 | 3.78 | - | - | 3.78 |
| March 31, 2019 | 23.44 | - | - | 23.44 |

| | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required): | Nil | Nil | Nil |

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**Adani Krishnapatnam Container Terminal Private Limited (Formerly Navayuga Container Terminal Pvt Ltd)**
**Notes to Financial statements for the year ended March 31, 2021**

**32. Related Party Disclosures**

| Particulars | Name of the Related Party |
|---|---|
| **(a) Ultimate holding/ parent Company** | Adani Ports and Special economic zone Limited |
| **(b) Holding company** | Adani Krishanaptanma Port Limited |
| **(c) Entities over which parent company of venturer or their substantial controlling shareholders are able to exercise Significant Influence** | Avani Ecoprojects Private Limited |
| | Gateway Media Private Limited |
| | Krishnapatnam Logistics Private Limited |
| | Krishnapatnam Security Services Pvt Ltd |
| | Nellore Warehousing Company Pvt Ltd |
| | Ocean 2 Door India Pvt Ltd |
| | Vishwa Samudra Engineering Private Limited |
| | Vishwa Samudra Shipment Services Private Limited |
| | Vishwesh Warehousing & Container Handling Services Pvt Ltd |
| | Navayuga Aviation Pvt Ltd |
| | Krishnapatnam Horticulture |
| | Navayuga Engineering Company Limited |
| | Navayuga Infotech Private Limited |
| | Seaport Cargo Logistics Private Limited |
| **(d) Key Management Personnel** | 1. Chinta Sasidhar<br>2. Avinash Chand Rai (w.e.f. 27.04.2021)<br>3. Gudena J Rao (upto 27.04.2021)<br>4. Capt. Badrinarayan Gandhi<br>5. Dinesh Birla<br>5. Vinita Venkatesh (upto 01.10.2020) |

Aggregate of transactions for the year ended with these parties have been given below.

**₹ in Crores**

| **Particulars** | **For the year ended March 31, 2021** | **For the year ended March 31, 2020** |
|---|---|---|
| **Rendering of Services (incl reimb of expenses)** | | |
| Adani Krishnapatnam Port Limited (Formerly Krishnapatnam Company Limited) | - | 0.01 |
| Avani Ecoprojects Private Limited | 0.00 | - |
| Ocean 2 Door India Pvt Ltd | 1.36 | 2.43 |
| Vishwa Samudra Shipment Services Private Limited | 0.44 | - |
| Vishwesh Warehousing & Container Handling Services Pvt Ltd | 0.11 | 0.20 |
| **Sale of SEIS Duty Scripts** | | |
| **Services Availed *** | | |
| Adani Krishnapatnam Port Limited (Formerly Krishnapatnam Company Limited) | 38.59 | 54.37 |
| Seaport Cargo Logistics Private Limited | 1.16 | 7.55 |
| Navayuga Infotech Private Limited | 0.30 | 0.62 |
| Vishwesh Warehousing & Container Handling Services Pvt Ltd | 0.00 | 2.71 |
| Navayuga Aviation Pvt Ltd. | - | 0.60 |
| **Services (Reimbursement of Expenses)** | | |
| Adani Krishnapatnam Port Limited (Formerly Krishnapatnam Company Limited) | 12.75 | 2.89 |
| **Purchase of Goods** | | |
| **Finance Lease Obligation** | | |
| **Finance Lease Charges** | | |
| **Sale of Goods** | | |
| **Sale of Asset** | | |
| **Loan Taken** | | |
| **Loan Repaid** | | |
| **Interest Expense** | | |

* Services received from AKPL for the period from Oct-20 to Mar-21 is 18.29 crores

₹ in Crores

| **Balance Outstanding** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Trade Receivables (Current)** | | |
| Avani Ecoprojects Private Limited | 0.00 | - |
| Navayuga Engineering Company Limited | 0.08 | 0.08 |
| Ocean 2 Door India Pvt Ltd | 0.17 | 0.67 |
| Vishwa Samudra Shipment Services Private Limited | 0.04 | 0.05 |
| **Advances from Customers (Current)** | | |
| **Other Financial Assets** | | |
| **Advances recoverable in cash or in kind** | | |
| Adani Krishnapatnam Port Limited (Formerly Krishnapatnam Company Limited) | 3.63 | 3.81 |
| **Borrowings** | | |
| **Trade Payables (Current)** | | |
| Krishnapatnam Horticulture | 0.01 | 0.01 |
| Krishnapatnam Security Services Pvt Ltd | 0.08 | 0.08 |
| Navayuga Infotech Private Limited | 0.23 | 0.23 |
| Navayuga avaiation | 0.03 | 0.03 |
| Seaport Cargo Logistics Private Limited | 0.21 | (0.05) |
| East Coast Logistics Private Limited | 0.00 | - |
| **Interest accrued but not due** | | |
| **Finance Lease Obligation Payable** | | |

**33 Retirement benefit plans**

**Defined contribution plans**

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by the Company. The Company also has superannuation plan.

**Defined benefit plans**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. Company's liability towards gratuity (unfunded), other retirement benefits and compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as:

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

| | **March 31,2021** | **March 31, 2020** |
|---|---|---|
| Discount rate(s) | 6.80% | 6.76% |
| Expected rate(s) of salary increase | 13.00% | 13.00% |
| Expected rate(s) of attrition | PS: 0 to 3 = 3.51% | PS: 0 to 3 = 1.22% |
| | PS: 3 to 57 = 0% | PS: 3 to 57 = 0% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Amounts recognised in total comprehensive income in respect of these**

| | **March 31,2021** | **March 31, 2020** |
|---|---|---|
| | Rs. Lakhs | Rs. Lakhs |
| Current service cost | 0.42 | 0.46 |
| Net interest expense | 0.08 | 0.07 |
| Return on plan assets (excluding amounts included in net interest | 0.02 | 0.01 |
| Components of defined benefit costs recognised in profit or loss | **0.51** | **0.53** |
| Remeasurement on the net defined benefit liability comprising: | | |
| Actuarial (gains)/losses arising from experience adjustments | (0.56) | (0.09) |
| Components of defined benefit costs recognised in other comprehensive income | **(0.56)** | **(0.09)** |
| | **(0.05)** | **0.44** |

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.
The remeasurement of the net defined benefit liability is included in other comprehensive income.

**The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

| | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|---|---|---|
| Present value of defined benefit obligation | 1.38 | 1.68 |
| Fair value of plan assets | (0.31) | (0.32) |
| Net liability arising from defined benefit obligation | **1.07** | **1.35** |
| Funded | - | - |
| Unfunded | 1.07 | 1.35 |
| | **1.07** | **1.35** |

The above provisions are reflected under 'provision for employee benefits' (long-term provisions) and 'provision for employee benefits' (short-term provisions) [Refer notes 14 and 17].

| **Movements in the present value of the defined benefit obligation in the current year were as follows:** | | |
|---|---|---|
| Opening defined benefit obligation | 1.68 | 0.66 |
| Current service cost | 0.42 | 0.10 |
| Interest cost | 0.11 | (0.00) |
| Actuarial (gains)/losses arising from experience | (0.56) | 0.92 |
| Benefits paid | (0.27) | - |
| Others (Opening ajdustment) | | |
| Closing defined benefit obligation | **1.38** | **1.68** |

| **Movements in the fair value of the plan assets in the current year follows:** | March 31, 2021<br>Rs. Lakhs | March 31, 2020<br>Rs. Lakhs |
|---|---|---|
| Opening fair value of plan assets | 0.32 | 0.30 |
| Adjustment to opening Fair value of Plan Asset | - | 0.01 |
| Return on Plan Assests excl .interest income | -0.02 | -0.01 |
| Interest Income | 0.04 | 0.03 |
| Contributions | - | - |
| Benefits paid | -0.04 | - |
| Closing fair value of plan assets | **0.31** | **0.32** |

In view of the fact that the Company for prepraring the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

**34 Disclosure on Micro, Small and Medium Enterprises**
The Company has no amounts outstanding payable to Micro, Small and Medium Enterprises as at 31.03.2021

**35** The previous year figures have been regrouped,rearranged and reclassified where ever required to make them comparable with current year figures.

In terms of our report attached
**For C. Venkat Krishna & Co**
Firm Registration No: 004599S

**(U. Gopalakrishna Murthy)**
Partner
Membership No:025824

For and on behalf of Board of Directors

**Avinash Chand Rai**
Director
DIN: 08406981
Place: Nellore

**B G Gandhi**
Director
DIN: 08901624
Place: Nellore

Date: April 27, 2021