

**Adani Kandla Bulk Terminal**  
**Private Limited**

**Financial Statements for the**  
**FY - 2022-23**



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Independent Auditor's Report

**To the Members of Adani Kandla Bulk Terminal Private Limited**

## **Report on the audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying Standalone Financial Statements of **Adani Kandla Bulk Terminal Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone 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 ICAI's 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 standalone financial statements.

### **Emphasis of Matter**

We draw attention to Note 38 of the accompanying financial statements, regarding the ongoing investigations of Securities and Exchange Board of India and the committee constituted by Hon'ble Supreme Court in respect of the matters more fully described in aforesaid note. Our opinion is not modified in respect of this matter.

### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon.



## **Independent Auditor's Report To the Members of Adani Kandla Bulk Terminal Private Limited (Continue)**

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility**

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



**Independent Auditor's Report**  
**To the Members of Adani Kandla Bulk Terminal Private Limited (Continue)**

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

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

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.



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## Independent Auditor's Report

### To the Members of Adani Kandla Bulk Terminal Private Limited (Continue)

#### Other Matter

The comparative financial information of the Company for the year ended 31st March 2022, included in these financial statements were audited by previous auditor, whose audit report on these financial statements expressed unmodified opinion which we have relied upon.

Our opinion is not modified in respect of the above matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 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 Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian 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 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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';



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## Independent Auditor's Report

### To the Members of Adani Kandla Bulk Terminal Private Limited (Continue)

- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations (Including other Disputes) on its financial position in its financial statements - Refer Note 35 to the Standalone financial statements;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(ii) The management of the company has represented that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (d)(i) and d (ii) above, contain any material misstatement.
  - e. There were no amount of dividend declared or paid during the year by the company.
  - f. The Ministry of Corporate Affairs (MCA) has amended the Rule 3 of Companies (Accounts) rules, 2014 by way of notification dated 31st March, 2022. Accordingly requirement to have accounting software with a feature of recording audit trail is extended till 1st April, 2023. Therefore, nothing is required to be reported under this para for the year under review.



**Independent Auditor's Report**

**To the Members of Adani Kandla Bulk Terminal Private Limited (Continue)**

**3. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided except for Director Sitting Fees. Accordingly, reporting under section 197(16) of the Act is not applicable.

For, **DHARMESH PARIKH & CO LLP**  
Chartered Accountants  
Firm Registration No. 112054W / W100725

Place : Ahmedabad

Date : 01-05-2023

**Harsh Parikh**  
Partner  
Membership No. 194284  
UDIN: 23194284BGPXVX9189





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**Annexure - A to the Independent Auditor's Report**  
**RE: Adani Kandla Bulk Terminal Private Limited**

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(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023, we report that:

- (i) (a) (A) In our opinion and according to the information and explanation given to us and the records produced to us for our verification, the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use Assets.
- (B) In our opinion and according to the information and explanation given to us and the records produced to us for our verification, the company is maintaining proper records showing full particulars of Intangible Assets.
- (b) In our opinion and according to the information and explanation given to us and the records produced to us for our verification, the Company has a regular programme of physical verification of its Property, Plant and Equipment's by which all Property, Plant and Equipment's are verified by the management at reasonable intervals. In accordance with this programme, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Based on our verification, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and the records produced to us for our verification, the Company has developed coal handling terminal under a Concession Agreement for a period of 30 Years and are presented as Intangible Assets in accordance with applicable Ind AS. The Company does not have any immovable properties of acquired freehold land. In Respect of immovable properties of land that have been taken on lease and disclosed as Right of use Assets in the financial statements, the lease agreements are in the name of company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provision of clause 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanation given to us and the records produced to us for our verification, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) According to the information and explanation given to us and the records produced to us for our verification, the inventory has been physically verified by the management during the year. In our opinion, the coverage and procedure of verification by management is appropriate. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts.





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**Annexure - A to the Independent Auditor's Report**  
**RE: Adani Kandla Bulk Terminal Private Limited (Continue)**

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(Referred to in Paragraph 1 of our Report of even date)

- (b) According to the information and explanation given to us, at any point of time during the year, the Company has not been sanctioned any working capital facility from banks or financial institution and hence reporting clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, during the year the company has not made investment, provided any guarantee or security or granted any loan or advances in nature of loans, secured and unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii) (a) to (f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly, the provisions of clause 3(iv) of the Order is not applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of the directives issued by the Reserve Bank of India and provisions of section 73 to 76 of the Act or any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of Cost Records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have reviewed the books of account of maintained by the company pursuant to the Companies Rules, 2014, as amended prescribed by the central Government for maintenance of cost records under Section 148(1) of the companies Act, 2013, and are of the opinion that prescribed cost records have been made and maintained by the company. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income-Tax, Provident fund, Employees' State Insurance, Goods and Service Tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the company did not have any dues on account of Duty of Customs and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of dues mentioned above were in arrears as at 31<sup>st</sup> March, 2023, for a period of more than six months from the date they became payable.



**Annexure - A to the Independent Auditor's Report**  
**RE: Adani Kandla Bulk Terminal Private Limited (Continue)**

(Referred to in Paragraph 1 of our Report of even date)

- b) According to the information and explanations given to us, there are no undisputed dues and as mentioned above in clause (a) as at 31<sup>st</sup> March, 2023, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under section 43 of the Income Tax Act, 1961.
- (ix) a) In our opinion, the company has not defaulted in the repayment of loans or other borrowings , or in payment of interest thereon to any lender during the year, except as under :

(Rs.in lakhs)

Nature of Borrowing including debt securities	Name of Lender	Amount not paid on due date during the year (Rs.)		No. of days delay or unpaid	Amount remaining unpaid as at the Balance Sheet Date		Amount paid till the date of Report
		Principal	Interest		Principal	Interest	
Inter-Corporate Deposit	Adani Ports and Special Economic Zone Limited	-	9.52	1	-	9.52	9.52
Inter-Corporate Deposit	Adani Ports and Special Economic Zone Limited	-	644.92	1	-	644.92	644.92
Total		-	654.44		-	654.44	654.44

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

c) In our opinion and according to the information and explanations given to us, the company has not raised the money by way of term loans during the year. Hence clause 3 (ix)(c) of the Order is not applicable.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company. Accordingly, the provisions of clause 3(ix)(d) of the Order is not applicable to the Company.



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**Annexure - A to the Independent Auditor's Report**  
**RE: Adani Kandla Bulk Terminal Private Limited (Continue)**

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(Referred to in Paragraph 1 of our Report of even date)

- e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix)(e) & (f) of the Order are not applicable to the Company.
- (x) a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any fully or partly convertible debenture during the year under review. Accordingly, the provisions of clause 3(x) (b) of the Order is not applicable.
- (xi) a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- b) No report on any matter under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion, the Company is not a nidhi company. Accordingly, the provisions of Clauses 3 (xii) (a) to (c) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 188 Companies Act 2013, wherever applicable, and all the details have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards. The provision of section 177 are not applicable to the company and accordingly the requirements of reporting under clause 3(xiii) of the order is so far as it relates to section 177 of the act is not applicable to the company.
- (xiv) (a) In our Opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.



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**Annexure - A to the Independent Auditor's Report**  
**RE: Adani Kandla Bulk Terminal Private Limited (Continue)**

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(Referred to in Paragraph 1 of our Report of even date)

- (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, within the meaning of Section 192 of the Act, with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- (xvi) a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.
- c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of clause 3(xvi) (c) & (d) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us, the Company has not incurred any cash loss during the financial year covered by our audit but in the immediately preceding financial year audited by previous auditor the cash loss was of Rs.6383.38 Lakhs.
- (xviii) According to the information and explanations given to us, there is no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of order is not applicable to the company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans (including the undertaking from Adani Ports and Special Economic Zone Limited, the Parent Company to provide such financial support as necessary, to enable the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due) and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



**DHARMESH PARIKH & CO LLP**  
CHARTERED ACCOUNTANTS  
[LLPIN: AAW-6517]

303/304, "Milestone"

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**Annexure - A to the Independent Auditor's Report**  
**RE: Adani Kandla Bulk Terminal Private Limited (Continue)**

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(Referred to in Paragraph 1 of our Report of even date)

- (xx) According to the information and explanations given to us and based on our examination of the records of the Company, section 135 is not applicable on the company. Accordingly, clause 3(xx) of the Order is not applicable to the Company.

For, **DHARMESH PARIKH & CO LLP**  
Chartered Accountants  
Firm Registration No. 112054W / W100725

Place : Ahmedabad  
Date : 01-05-2023

**Harsh Parikh**  
Partner  
Membership No. 194284  
UDIN: 23194284BGPXVX9189



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**Annexure – B to the Independent Auditor’s Report**  
**RE: Adani Kandla Bulk Terminal Private Limited**

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(Referred to in Paragraph 2(f) of our Report of even date)

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 “**Adani Kandla Bulk Terminal Private Limited**”(“The Company”) as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

**Management’s Responsibilities for Internal Financial Controls**

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

**Auditor’s Responsibility**

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

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





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**Annexure – B to the Independent Auditor’s Report**  
**RE: Adani Kandla Bulk Terminal Private Limited (continue)**

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(Referred to in Paragraph 2(f) of our Report of even date)

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, 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, **DHARMESH PARIKH & CO LLP**  
Chartered Accountants  
Firm Registration No. 112054W / W100725

Place : Ahmedabad  
Date : 01-05-2023

**Harsh Parikh**  
Partner  
Membership No. 194284  
UDIN: 23194284BGPXVX9189



₹ in Lacs

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3(a)	926.35	1,008.38
Right of use assets	3(b)	1,770.55	1,862.54
Other Intangible Assets	3(c)	62,979.68	67,702.86
Intangible Assets under Development	3(d)	578.22	283.41
<b>Financial Assets</b>			
Income- Tax Assets		1,248.14	934.95
Other Financial Assets	4	71.07	71.07
Other Non-Current Assets	5	1,396.15	2,158.57
		68,970.16	74,021.78
<b>Current Assets</b>			
Inventories	6	720.91	847.19
<b>Financial Assets</b>			
(i) Trade Receivables	7	2,311.81	1,601.44
(ii) Cash and Cash Equivalents	8	516.19	154.04
(iii) Other Financial Assets	4	41.00	40.10
Other Current Assets	5	1,545.16	1,767.73
		5,135.07	4,410.50
<b>Total Assets</b>		<b>74,105.23</b>	<b>78,432.28</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	9	12,005.00	12,005.00
Other Equity	10	(11,635.66)	(52,133.11)
<b>Total Equity</b>		369.34	(40,128.11)
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	11	66,810.27	1,01,607.75
(ii) Lease Liabilities		2,029.85	2,040.68
Provisions	16	77.81	95.57
		68,917.93	1,03,744.00
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	11	-	74.88
(ii) Lease Liabilities	12	142.23	14.59
(iii) Trade and Other Payables	14		
a) Total outstanding dues of micro enterprises and small enterprises		53.61	74.00
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,641.52	1,641.05
(iv) Other Financial Liabilities	13	734.03	11,537.41
Other Current Liabilities	15	1,235.14	1,461.64
Provisions	16	11.43	12.82
		4,817.96	14,816.39
<b>Total Liabilities</b>		73,735.89	1,18,560.39
<b>Total Equity and Liabilities</b>		<b>74,105.23</b>	<b>78,432.28</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For Dharmesh Parikh & Co. LLP**

Firm Registration No : 112054W/ W100725

Chartered Accountants

**Harsh Parikh**

[Partner]

Membership No. 194284

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

**Subrat Tripathy**

Managing Director

DIN: 06890393

**Hiren Shah**

Director

DIN : 00275758

**Paresh Budhia**

Chief Financial Officer

**Vismay Shah**

Company Secretary

**Place: Ahmedabad**

**Date : May 01, 2023**

**Place: Ahmedabad**

**Date : May 01, 2023**

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from Operations	17	23,184.81	17,498.31
Other Income	18	196.69	30.82
<b>Total Income</b>		<b>23,381.50</b>	<b>17,529.13</b>
<b>Expenses</b>			
Terminal Royalty Expense		6,433.01	5,142.78
Operating Expenses	19	9,615.50	8,690.74
Employee Benefits Expense	20	666.85	570.33
Finance Cost			
- Interest and Bank Charges	21	5,154.10	7,770.98
Depreciation and Amortization Expense	3	5,783.79	5,719.30
(Gain)/ Loss on Foreign Exchange Variation		(0.37)	0.11
Other Expenses	22	717.48	748.71
<b>Total Expenses</b>		<b>28,370.36</b>	<b>28,642.95</b>
<b>(Loss) before exceptional items &amp; Tax</b>		<b>(4,988.86)</b>	<b>(11,113.82)</b>
Exceptional items	10, 11 & 13	70,473.16	(1,020.04)
<b>Profit/ (Loss) before Tax</b>		<b>65,484.30</b>	<b>(12,133.86)</b>
<b>Tax expense:</b>			
Current Tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred Tax	23	-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>Profit/ (Loss) for the Year</b>	(A)	<b>65,484.30</b>	<b>(12,133.86)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement Gain/ (Loss) on defined benefit plans		13.15	(14.56)
Income Tax Impact		-	-
<b>Other Comprehensive Income/ (Loss) (net of tax)</b>	(B)	<b>13.15</b>	<b>(14.56)</b>
<b>Total Comprehensive Gain/(Loss) for the year (net of tax)</b>	(A)+(B)	<b>65,497.45</b>	<b>(12,148.42)</b>
Earnings per share (Face value of ₹10 each)			
Basic and Diluted (in ₹)	24	<b>54.55</b>	<b>(10.11)</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For Dharmesh Parikh & Co. LLP**

Firm Registration No : 112054W/ W100725

Chartered Accountants

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

**Harsh Parikh**

[Partner]

Membership No. 194284

**Subrat Tripathy**

Managing Director

DIN: 06890393

**Hiren Shah**

Director

DIN : 00275758

**Paresh Budhia**

Chief Financial Officer

**Vismay Shah**

Company Secretary

Place: Ahmedabad

Date : May 01, 2023

Place: Ahmedabad

Date : May 01, 2023

Particulars	Equity Share Capital	Other Equity		Total
		Perpetual Debt	Reserve and Surplus	
			Retained Earning	
<b>Balance as at April 01, 2021</b>	<b>12,005.00</b>	<b>25,000.00</b>	<b>(64,984.69)</b>	<b>(27,979.69)</b>
(Loss) for the Year	-	-	(12,133.86)	(12,133.86)
<b>Other Comprehensive Loss</b>				
Other Comprehensive Loss for the year	-	-	(14.56)	(14.56)
<b>Total Comprehensive Loss for the year</b>	<b>-</b>	<b>-</b>	<b>(12,148.42)</b>	<b>(12,148.42)</b>
<b>Balance as at March 31, 2022</b>	<b>12,005.00</b>	<b>25,000.00</b>	<b>(77,133.11)</b>	<b>(40,128.11)</b>
Profit for the Year	-	-	65,484.30	65,484.30
<b>Other Comprehensive income</b>				
Other Comprehensive income for the year	-	-	13.15	13.15
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>65,497.45</b>	<b>65,497.45</b>
Decrease during the year	-	(25,000.00)	-	(25,000.00)
<b>Balance as at March 31, 2023</b>	<b>12,005.00</b>	<b>-</b>	<b>(11,635.66)</b>	<b>369.34</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For Dharmesh Parikh & Co. LLP**

Firm Registration No : 112054W/ W100725

Chartered Accountants

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

**Harsh Parikh**

[Partner]

Membership No. 194284

**Subrat Tripathy**

Managing Director

DIN: 06890393

**Hiren Shah**

Director

DIN : 00275758

**Paresh Budhia**

Chief Financial Officer

**Vismay Shah**

Company Secretary

Place: Ahmedabad

Date : May 01, 2023

Place: Ahmedabad

Date : May 01, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
<b>Profit/ (Loss) before tax as per statement of profit and loss</b>	65,484.30	(12,133.86)
Adjustments for:		
Depreciation and amortisation	5,783.79	5,719.30
Finance Cost	5,154.10	7,770.98
Exceptional Item		
-Liabilities written back (Refer Note 10, 11 & 13)	(70,473.16)	-
-Other Item	(13.96)	-
Derecognition of SEIS Receivable	-	1,020.04
Unrealised foreign exchange (gain)/loss	(0.37)	0.11
Interest Income	(55.34)	(25.52)
<b>Operating profit before working capital changes</b>	<b>5,879.36</b>	<b>2,351.05</b>
Adjustment for :		
(Increase) in trade receivables	(696.41)	(131.87)
Decrease in inventories	126.28	58.43
(Increase) in financial assets	(0.90)	(10.71)
Decrease/ (Increase) in Non-Current assets	136.04	(1,777.23)
Decrease in Current assets	222.57	1,925.57
Increase/(Decrease) in trade payables	980.48	(1,359.16)
Increase/(Decrease) in other liabilities	15.32	(65.81)
(Decrease)/Increase in provisions (Non- Current)	(17.76)	65.83
(Decrease) in provisions (Current)	(1.39)	(30.95)
(Decrease)/Increase in Other Current Liabilities	(213.35)	827.23
<b>Cash generated from operations</b>	<b>6,430.24</b>	<b>1,852.38</b>
Direct taxes refund (net)	313.19	42.54
<b>Net cash generated from operating activities</b>	<b>(A) 6,743.43</b>	<b>1,894.92</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Property, Plant and Equipment and Intangible Assets (including Intangible Asset under development, Capital Advance & Capital Creditors)	(1,181.40)	(732.48)
Interest received	55.34	25.52
<b>Net cash (used in) investing activities</b>	<b>(B) (1,126.06)</b>	<b>(706.96)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from Inter-corporate Deposit	16,348.00	19,694.00
Repayment of Inter-corporate Deposit	(17,220.37)	(20,087.00)
Payment of Lease Liabilities	(25.25)	(102.30)
Finance Cost paid	(4,357.60)	(550.74)
<b>Net cash (used in) financing activities</b>	<b>(C) (5,255.22)</b>	<b>(1,046.04)</b>
<b>Net Increase in cash &amp; cash equivalents</b>	<b>(A + B + C) 362.15</b>	<b>141.92</b>
Cash and cash equivalents at the beginning of the year	154.04	12.12
<b>Cash and cash equivalents at the end of the year</b>	<b>516.19</b>	<b>154.04</b>
Component of cash and cash equivalents		
Cash on hand	-	-
Balances with scheduled bank		
- In Current Accounts	17.19	154.04
- In Fixed Deposits	499.00	-
<b>Total cash and cash equivalents</b>	<b>516.19</b>	<b>154.04</b>

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

**Notes:**

(1) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

(2) Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as per note 13.

**For Dharmesh Parikh & Co. LLP**

Firm Registration No : 112054W/ W100725  
Chartered Accountants

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

**Harsh Parikh**

[Partner]

Membership No. 194284

**Subrat Tripathy**

Managing Director

DIN: 06890393

**Hiren Shah**

Director

DIN : 00275758

**Paresh Budhia**

Chief Financial Officer

**Vismay Shah**

Company Secretary

**Place: Ahmedabad**

**Date : May 01, 2023**

**Place: Ahmedabad**

**Date : May 01, 2023**

**1 Corporate information**

Adani Kandla Bulk Terminal Private Limited ("AKBTPL") (the "Company") was incorporated on March 7, 2012. AKBTPL is a special purpose Company promoted by Adani Ports and Special Economic Zone Limited. The Company is formed for developing a Dry Bulk Terminal Off Tekra near Tuna outside Kandla Creek at Kandla Port ("Project") on Build, Operate and Transfer ("BOT") basis for a period of 30 years. The registered office of the Company is located at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad Ahmedabad GJ 382421 IN

AKBTPL has been awarded Letter of Award dated February 23, 2012 for the Project from the Deendayal Port Trust. The Company has entered Concession Agreement on June 27, 2012 with Deendayal Port Trust. Subsequently, Company has received award of concession by Deendayal Port Trust on December 19, 2012. The Company has commenced commercial operation from March 17, 2015.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 01, 2023.

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

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

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

**b) Foreign Currency Translation****Transactions and balances**

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

**Conversion**

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

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

**Exchange differences**

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

**c) Fair value measurement**

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

> In the principal market for the asset or liability, or

These results have been reviewed and approved by the Board of Directors at its meeting held on May 01, 2023.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available

to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

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

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

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

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

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

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

Financial instruments (including those carried at amortised cost) (refer note 29.1)

**d) Revenue Recognition****Revenue from contract with customer**

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

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

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

**Interest income**

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



**Port Operation Services**

Revenue from port operation services including cargo handling, storage are recognised in the accounting period in which the services transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

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

**e) Taxes**

Tax expense comprises of current income tax and deferred tax.

**Current income tax**

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

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

**Deferred tax**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any asset carried under concession arrangement is derecognised on disposal or when no future economic benefits are expected from its future use or disposal. Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

The period of port concession arrangements is 30 years.

**h) Intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

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

The useful lives of intangible assets are assessed as finite.

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

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

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

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

**i) Borrowing Costs**

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

**j) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

**The Company as a lessee**

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

**Right-of-use assets**

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

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

#### **Lease liabilities**

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

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

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

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

#### **Company as a lessor**

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

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

#### **k) Inventories**

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

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty payable.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

#### **l) Impairment of non-financial assets**

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

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

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

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

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

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

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

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

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

**Contingent liabilities**

Contingent liabilities is disclosed in the case of :

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

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

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

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

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

**n) Employees benefits**

**Provident fund**

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

**Gratuity fund**

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

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

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

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

> Net interest expense or income

**Compensated absences**

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

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

**o) Financial instruments**

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

**Financial assets****Initial recognition and measurement**

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

**Subsequent measurement**

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

- Debt instruments at amortised cost
- Derivatives at fair value through profit or loss (FVTPL)

**Debt instruments at amortised cost**

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

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit & loss. The losses arising from impairment are recognised in the statement of profit & loss. This category generally applies to trade and other receivables.

**Derecognition**

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original

carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

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

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

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

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

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

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

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

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

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

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

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

**Financial liabilities**

**Initial recognition and measurement**

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

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

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

**Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

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

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

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

**Loans and borrowings**

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

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

This category generally applies to borrowings.

**Derecognition**

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

**Reclassification of financial assets**

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



**Offsetting of financial instruments**

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

**p) Derivative financial instruments****Initial recognition and subsequent measurement**

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

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

**q) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash on hand and demand deposit with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**r) Earnings per share**

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

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

**s) New Standards, interpretations and amendments adopted by the Company**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended March 31, 2022, except for amendments to the existing Indian Accounting Standards (Ind AS). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the accounting periods beginning on or after 1 April 2022, that do not have material impact on the financial statements of the Company.

**1. Accounting for proceeds before intended use (Ind AS 16, Property, Plant and Equipment)**

The excess of net sale proceeds of items produced over the cost of testing, if any, should not be recognised in the statement of profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant and Equipment.

**2. Determining costs to fulfil a contract (Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets)**

The 2022 amendments clarify the types of costs a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous as under:

- The incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

**3. Subsidiary as a first-time adopter of Ind AS (Ind AS 101, First-time Adoption of Indian Accounting Standards)**

If a subsidiary, joint venture or associate (together termed as subsidiary) adopts Ind AS later than its parent and applies paragraph D16(a) of Ind AS 101, then the subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transitions to Ind AS.



**2.3 Significant accounting judgments, estimates and assumptions**

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

**Estimates and assumptions**

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

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived for the remaining period of concession agreement and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The management of the Company has concluded that provision for impairment of Property, Plant & equipments and Intangible assets are not required to be made. Refer note 34 for further disclosures.

**Taxes**

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 23.

**Provision for Decommissioning Liabilities**

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

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

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

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

₹ In lacs

Particulars	Computer Hardware	Office Equipments	Plant & Machinery	Furniture & Fixtures	Vehicles	Total
<b>Cost</b>						
As at April 1, 2021	264.62	391.37	1,130.20	109.01	101.94	1,997.14
Additions	29.06	36.45	-	-	-	65.51
Deductions/Adjustment						-
As at March 31, 2022	293.68	427.82	1,130.20	109.01	101.94	2,062.65
Additions	4.81	44.22	-	-	-	49.03
Deductions/Adjustment	-	(0.25)	-	-	(28.63)	(28.88)
As at March 31, 2023	298.49	471.79	1,130.20	109.01	73.31	2,082.80
<b>Accumulated Depreciation</b>						
As at April 1, 2021	221.65	345.12	237.07	63.97	62.17	929.98
Depreciation for the year	25.98	16.40	57.97	11.12	12.82	124.29
Deductions/(Adjustment)	-	-	-	-	-	-
As at March 31, 2022	247.63	361.52	295.04	75.09	74.99	1,054.27
Depreciation for the year	18.17	26.08	58.98	11.08	12.24	126.55
Deductions/(Adjustment)	-	(0.24)	1.00	-	-25.13	(24.37)
As at March 31, 2023	265.80	387.36	355.02	86.17	62.10	1,156.45
<b>Net Block</b>						
As at March 31, 2022	46.05	66.30	835.16	33.92	26.95	1,008.38
As at March 31, 2023	32.69	84.43	775.18	22.84	11.21	926.35

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

₹ in Lacs

Particulars	Land	Total
<b>Cost</b>		
As at April 1, 2021	1,511.72	1,511.72
Additions	566.20	566.20
Deductions/Adjustment	-	-
As at March 31, 2022	2,077.92	2,077.92
Additions	-	-
Deductions/Adjustment	-	-
As at March 31, 2023	2,077.92	2,077.92
<b>Accumulated Depreciation</b>		
As at April 1, 2021	130.04	130.04
Depreciation for the year	85.34	85.34
As at March 31, 2022	215.38	215.38
Depreciation for the year	91.98	91.98
As at March 31, 2023	307.36	307.36
<b>Net Block</b>		
As at March 31, 2022	1,862.54	1,862.54
As at March 31, 2023	1,770.55	1,770.55

## Note 3 (c) - Intangible Assets

Particulars	₹ in Lacs		
	Software	Port Concession Rights	Total - Intangible Assets
<b>Cost</b>			
<b>As at April 1, 2021</b>	<b>86.99</b>	<b>1,05,471.41</b>	<b>1,05,558.40</b>
Additions	12.85	564.92	577.77
Deductions/Adjustment	-	-	-
<b>As at March 31, 2022</b>	<b>99.85</b>	<b>1,06,036.33</b>	<b>1,06,136.17</b>
Additions	-	844.34	844.34
Deductions/Adjustment	-	(16.11)	(16.11)
<b>As at March 31, 2023</b>	<b>99.85</b>	<b>1,06,864.56</b>	<b>1,06,964.41</b>
<b>Accumulated Amortisation</b>			
<b>As at April 1, 2021</b>	<b>56.08</b>	<b>32,867.56</b>	<b>32,923.64</b>
Amortisation for the year	9.89	5,499.79	5,509.68
Deductions/(Adjustment)	-	-	-
<b>As at March 31, 2022</b>	<b>65.97</b>	<b>38,367.35</b>	<b>38,433.32</b>
Amortisation for the year	11.76	5,553.50	5,565.26
Deductions/(Adjustment)	-	(13.85)	(13.85)
<b>As at March 31, 2023</b>	<b>77.73</b>	<b>43,907.00</b>	<b>43,984.73</b>
<b>Net Block</b>			
<b>As at March 31, 2022</b>	<b>33.88</b>	<b>67,668.98</b>	<b>67,702.86</b>
<b>As at March 31, 2023</b>	<b>22.12</b>	<b>62,957.56</b>	<b>62,979.68</b>

## Notes:

- (i) Refer note 33 for impairment evaluation of property, plant & equipment and other Intangible assets.  
(ii) Refer footnote to note 11 for charges created on property, plant & equipment and other intangible assets.

## Note 3 (d) - Intangible Assets under Development

## (i) Movement in Intangible Assets under Development

Particulars	₹ in Lacs	
	Total Amount	
<b>As at April 01, 2021</b>	<b>194.22</b>	
Additions	1,084.59	
Capitalization / Consump.	(995.40)	
<b>As at March 31, 2022</b>	<b>283.41</b>	
<b>As at April 01, 2022</b>	<b>283.41</b>	
Additions	1,190.87	
Capitalization	(896.06)	
<b>As at March 31, 2023</b>	<b>578.22</b>	
<b>Movement</b>		
<b>As at March 31, 2022</b>	<b>89.19</b>	
<b>As at March 31, 2023</b>	<b>294.81</b>	

## (ii) Intangible Assets under Development Aging Schedule as at March 31, 2023

₹ in Lacs

Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	513.60	48.88	7.02	8.72	578.22
Project Temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>513.60</b>	<b>48.88</b>	<b>7.02</b>	<b>8.72</b>	<b>578.22</b>

## (ii) Intangible Assets under Development Aging Schedule as at March 31, 2022

₹ in Lacs

Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	238.57	26.05	9.77	9.03	283.41
Project Temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>238.57</b>	<b>26.05</b>	<b>9.77</b>	<b>9.03</b>	<b>283.41</b>



## Notes to Financial Statements for the year ended March 31, 2023

Trade receivable ageing as on March 31, 2022 is as below

Sr No	Particulars	Outstanding for following periods from due date of payment						Total
		Not Due	Lessthan 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
1	Undisputed Trade receivables - Considered good	898.28	692.73	-	6.85	7.78	0.80	1,606.44
2	Undisputed Trade receivables - credit impaired	-	-	-	-	-	13.30	13.30
		<b>898.28</b>	<b>692.73</b>	<b>-</b>	<b>6.85</b>	<b>7.78</b>	<b>14.10</b>	<b>1,619.74</b>
	Less: Allowance for Expected credit Loss							(18.30)
	<b>Total</b>							<b>1,601.44</b>

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

Balance in current account

Deposits with original maturity of less than three months

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Balance in current account	17.19	154.04
Deposits with original maturity of less than three months	499.00	-
	<b>516.19</b>	<b>154.04</b>

**9 Equity Share Capital****Authorised Shares Capital**

12,05,00,000 Equity Shares of ₹ 10 each (previous year 12,05,00,000 Equity Shares of ₹ 10 each)

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
12,05,00,000 Equity Shares of ₹ 10 each (previous year 12,05,00,000 Equity Shares of ₹ 10 each)	12,050.00	12,050.00
	<b>12,050.00</b>	<b>12,050.00</b>

**Issued, subscribed and fully paid up share capital**

12,00,50,000 Equity Shares of ₹ 10 each (previous year 12,00,50,000 Equity Shares of ₹ 10 each)

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
12,00,50,000 Equity Shares of ₹ 10 each (previous year 12,00,50,000 Equity Shares of ₹ 10 each)	12,005.00	12,005.00
	<b>12,005.00</b>	<b>12,005.00</b>

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

	March 31, 2023		March 31, 2022	
	No	₹ in Lacs	No	₹ in Lacs
At the beginning of the year	12,00,50,000	12,005.00	12,00,50,000	12,005.00
Add: New shares issued during the year	-	-	-	-
Outstanding at the end of the year	<b>12,00,50,000</b>	<b>12,005.00</b>	<b>12,00,50,000</b>	<b>12,005.00</b>

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

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

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

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

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

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
<b>Adani Ports and Special Economic Zone Limited, the parent company and its nominees</b>		
12,00,50,000 equity share (Previous year 12,00,50,000 equity share) of ₹ 10 each	12,005.00	12,005.00

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

Particulars		March 31, 2023	March 31, 2022
Adani Ports and Special Economic Zone Limited, the parent company and its nominees	No in Lacs	1,200.50	1,200.50
	% Holding	100.00%	100.00%

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

**Details of Equity Shares held by promoters at March 31, 2023**

Sr No	Promotor Name	No of shares at the beginning of the year	No of Shares at the end of the year	% of Total Shares	% Change during the year
1	Adani Ports and Special Economic Zone Limited	12,00,50,000	12,00,50,000	100.00%	-
	<b>Total</b>	<b>12,00,50,000</b>	<b>12,00,50,000</b>	<b>100.00%</b>	<b>-</b>

**Details of Equity Shares held by promoters at March 31, 2022**

Sr No	Promotor Name	No of shares at the beginning of the year	No of Shares at the end of the year	% of Total Shares	% Change during the year
1	Adani Ports and Special Economic Zone Limited	12,00,50,000	12,00,50,000	100.00%	-
	<b>Total</b>	<b>12,00,50,000</b>	<b>12,00,50,000</b>	<b>100.00%</b>	<b>-</b>

**10 Other Equity**

	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs
<b>Retained Earnings</b>		
Opening Balance	(77,133.11)	(64,984.69)
Add: Profit/ (Loss) for the year	65,484.30	(12,133.86)
Other Comprehensive Income for the year	13.15	(14.56)
Closing Balance	<b>(11,635.66)</b>	<b>(77,133.11)</b>
<b>Note:</b>		
The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.		
<b>Perpetual Debt</b>		
Opening Balance	25,000.00	-
Changes during the year	(25,000.00)	25,000.00
Closing Balance	<b>-</b>	<b>25,000.00</b>
<b>Total Other Equity</b>	<b>(11,635.66)</b>	<b>(52,133.11)</b>

**Note:**

(a) This loan was perpetual in nature with no fixed maturity or redemption period and was payable only at the option of the Company. This loan carried coupon of upto 7.50 % but payable only at the option of the Company. As this loan was perpetual in nature and the Company did not had any repayment obligation, hence it was classified as equity.

(b) During the year Perpetual Debt was written off by the lender.

**11 Borrowings**

Particulars	Non-Current		Current portion	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Inter Corporate Deposit from related party (Secured) (refer note a & d)	66,000.00	80,000.00	-	-
Inter Corporate Deposit from related party (Unsecured) (refer note b, c & d)	810.27	21,607.75	-	74.88
<b>Total Long-Term Borrowing</b>	<b>66,810.27</b>	<b>1,01,607.75</b>	<b>-</b>	<b>74.88</b>
<b>The above amount includes</b>				
Secured borrowings	66,000.00	80,000.00	-	-
Unsecured borrowings	810.27	21,607.75	-	74.88
<b>Total borrowings</b>	<b>66,810.27</b>	<b>1,01,607.75</b>	<b>-</b>	<b>74.88</b>

**Notes:**

(a) Inter corporate deposit of ₹ 66,000.00 lacs (previous year ₹ 80,000 lacs) received from Adani Ports and Special Economic Zone Limited, the parent company are secured by way of first pari passu charge of all the immovable assets of the Company, both present and future and are further secured by hypothecation of movable assets, both present and future of the Company. Charge on all the assets has been created through agreement in favour of Adani Ports and Special Economic Zone Limited. The outstanding balance as on March 31, 2023 will be repayable in November, 2029. Loan of Rs. 14,000 lacs along with interest accrued thereon (refer note 13) has been written off by the lender during the year.

(b) Inter corporate deposit of ₹ 810.27 lacs (previous year ₹ 1682.63 lacs) from Adani Ports and Special Economic Zone Limited, the parent company is unsecured and is repayable by July 31, 2025.

(c) Inter corporate deposit of ₹ Nil (previous year ₹ 20,000 lacs) from Adani Hazira Port Limited was unsecured. During the current year the loan and interest accrued thereon has been fully written off by the lender.

(d) All the Inter corporate deposits are received at the interest rate of 7.50% p.a.



**12 Lease Liabilities**

	Non-current portion		Current portion	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Lease liabilities (refer note (a) & (b) below)	2,029.85	2,040.68	142.23	14.59
	<b>2,029.85</b>	<b>2,040.68</b>	<b>142.23</b>	<b>14.59</b>

**Note:**

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

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

Particulars	March 31, 2023		March 31, 2022	
	Total minimum lease payments	Present Value of minimum lease payments	Total minimum lease payments	Present Value of minimum lease payments
	₹ in Lacs			
Within one year	164.36	142.23	161.14	14.59
After one year but not later than five years	872.46	645.05	677.44	107.48
More than five years	2,749.01	1,384.80	3,108.40	1,933.20
<b>Total minimum lease payments</b>	<b>3,785.84</b>	<b>2,172.08</b>	<b>3,946.98</b>	<b>2,055.27</b>
Less: Amounts representing finance charges	(1,613.76)		(1,891.71)	
<b>Present value of minimum lease payments</b>	<b>2,172.08</b>	<b>2,172.08</b>	<b>2,055.27</b>	<b>2,055.27</b>

**13 Other financial liabilities****Current**

	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs
Interest accrued and due on borrowings (refer note 27)	654.44	11,473.14
Deposits from customers	0.46	0.11
Capital creditors, retention money and other payable	79.13	64.16
	<b>734.03</b>	<b>11,537.41</b>

**Note :**

During the year Interest accrued on borrowings from Adani Ports and Special Economic Zone Limited has been written off

**(a) Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 – Statement of Cash flows is Changes in liabilities arising from financing activities**

Particulars	April 1, 2022	Other changes (Liabilities written back)	Cash Flows	Finance Cost for the year	₹ in Lacs
					March 31, 2023
Long-term Borrowings	1,01,682.64	(34,000.00)	(872.37)	-	66,810.27
Interest accrued	11,473.14	(11,473.14)	(4,357.60)	5,012.04	654.44
Lease Liabilities (refer note 12)	2,055.27	-	(25.25)	142.06	2,172.08
<b>Total</b>	<b>1,15,211.05</b>	<b>(45,473.14)</b>	<b>(5,255.22)</b>	<b>5,154.10</b>	<b>69,636.79</b>

  

Particulars	April 1, 2021	other changes	Cash Flows	Finance Cost for the year	₹ in Lacs
					March 31, 2022
Long-term Borrowings	1,02,075.64	-	(393.00)	-	1,01,682.64
Interest accrued	4,386.38	-	(550.74)	7,637.50	11,473.14
Lease Liabilities (refer note 12)	1,457.89	566.20	(102.30)	133.48	2,055.27
<b>Total</b>	<b>1,07,919.91</b>	<b>566.20</b>	<b>(1,046.04)</b>	<b>7,770.98</b>	<b>1,15,211.05</b>

**14 Trade and Other Payables**

	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs
Total outstanding dues of micro enterprises and small enterprises	53.61	74.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,641.52	1,641.05
	<b>2,695.13</b>	<b>1,715.05</b>
Dues to related parties included in above (refer note 27)	420.44	31.35

## Notes to Financial Statements for the year ended March 31, 2023

Trade payable ageing as on March 31, 2023 is as below

Sr No	Particulars	Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	50.62	2.99	-	-	-	53.61
2	Others	1,548.95	1,091.11	0.11	1.35	-	2,641.52
3	Disputed dues - MSME	-	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-	-
	<b>Total</b>	<b>1,599.57</b>	<b>1,094.11</b>	<b>0.11</b>	<b>1.35</b>	<b>-</b>	<b>2,695.13</b>

Trade payable ageing as on March 31, 2022 is as below

Sr No	Particulars	Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	67.40	6.60	-	-	-	74.00
2	Others	1,019.23	620.95	0.87	-	-	1,641.06
3	Disputed dues - MSME	-	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-	-
	<b>Total</b>	<b>1,086.63</b>	<b>627.55</b>	<b>0.87</b>	<b>-</b>	<b>-</b>	<b>1,715.05</b>

#### 15 Other Liabilities

March 31, 2023      March 31, 2022  
₹ in Lacs              ₹ in Lacs

##### Current

Statutory liabilities

117.16              236.09

Contract Liabilities (refer note below)

1,117.98              1,225.55

**1,235.14              1,461.64**

##### **Note :**

Contract Liabilities includes advance received to deliver port operation services and as well as transaction price allocated to unsatisfied performance obligation in respect of cargo Handling Services.

#### 16 Provisions

	Non-Current portion		Current portion	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Provision for gratuity (refer note 25)	40.81	57.29	-	-
Provision for compensated absences	37.00	38.28	11.43	12.82
	<b>77.81</b>	<b>95.57</b>	<b>11.43</b>	<b>12.82</b>

17 Revenue from Operations	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
<b>Revenue from Contract with Customers*</b>		
Income from Port Operations (Refer note below)	23,184.81	17,498.31
	<b>23,184.81</b>	<b>17,498.31</b>
* Recognised revenue based on services transferred at a point in time		
<b>Note:</b>		
<b>Particulars</b>		
Contract Price	23,343.04	18,149.90
Adjustment for:		
Refund Liability	(420.48)	(166.51)
Change in value of Contract Assets	(45.54)	152.65
Change in value of Contract Liabilities	307.79	(637.73)
<b>Revenue from Contract with Customers</b>	<b>23,184.81</b>	<b>17,498.31</b>
<b>18 Other Income</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
Interest Income from		
(i) Bank Deposits	18.92	-
(ii) Income Tax Refund	36.42	25.52
Scrap sale	101.79	-
Profit on sale/Discard of Property, Plant and Equipment and Intangible Assets (net)	4.14	-
Unclaimed liabilities / excess provision written back	13.96	-
Miscellaneous Income	21.46	5.30
	<b>196.69</b>	<b>30.82</b>
<b>19 Operating Expenses</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
Cargo handling / other charges to Sub-Contractors	5,477.78	5,378.49
Maintenance Dredging	351.85	18.25
Other expenses including customs establishment charges	-	33.56
Store and Spares consumed	1,892.74	1,418.82
Power and Fuel (net of credit from Wind Power Generation ₹ 260.09 Lacs (previous year ₹ 307.14 Lacs))	1,093.13	1,041.62
Waterfront Charges	800.00	800.00
	<b>9,615.50</b>	<b>8,690.74</b>
<b>20 Employee Benefits Expense</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
Salaries, Wages and Bonus	512.76	442.06
Contribution to Provident and Other Funds	22.93	22.02
Gratuity Expense (refer note 25)	14.06	10.90
Staff Welfare Expenses	117.10	95.35
	<b>666.85</b>	<b>570.33</b>
<b>21 Finance Costs</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
Interest on		
- Inter corporate Deposit	5,009.41	7,634.63
- Lease liabilities	142.06	133.48
- Letter of Credit/ Buyer's Credit	0.11	-
- Others	0.02	-
Bank and other finance charges	2.50	2.87
	<b>5,154.10</b>	<b>7,770.98</b>

**22 Other Expenses**

	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs
Rates and Taxes	0.03	0.03
Insurance	14.58	14.75
Advertisement and Publicity	0.74	5.08
Other Repairs and Maintenance (net of reimbursement)	79.60	48.35
Legal and Professional Expenses	75.90	182.29
Payment to Auditors (refer note below)	7.60	12.05
Security Expenses	12.93	8.22
Communication Expenses	33.73	21.77
Electric Power Expenses	-	0.11
Office Expenses	71.94	50.01
Reversal of Customer Claims	-	(34.46)
Travelling and Conveyance	179.28	201.82
Directors Sitting Fees	2.64	1.17
Admin and General Manpower expense	198.67	168.85
Miscellaneous Expenses	39.84	68.67
	<b>717.48</b>	<b>748.71</b>

**Note: Payment to Auditor**

	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs
<b>As Auditor:</b>		
Audit fee	7.50	7.38
Limited review	-	4.62
<b>In other Capacity:</b>		
Certification Fees	0.10	-
Reimbursement of expenses	-	0.05
	<b>7.60</b>	<b>12.05</b>

**23 Income Tax**

The major components of income tax expenses for the year ended March 31, 2023 and March 31, 2022 are as under.

**a) Profit and Loss Section**

	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs
<b>Current income tax:</b>		
Current tax charge	-	-
Adjustment in respect of current income tax of previous years	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	-	-
<b>Tax Expense reported in the Statement of Profit and Loss (a)</b>	<b>-</b>	<b>-</b>

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

	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs
Deferred tax related to Net Gain on remeasurements of defined benefit plan (b)	-	-
Unrealised Loss/ (Gain) on FVTOCI Equity Securities	-	-
<b>Tax Expense reported in the OCI (b)</b>	<b>-</b>	<b>-</b>
<b>Total Tax Expenses (a+b)</b>	<b>-</b>	<b>-</b>

**b) Balance Sheet Section**

	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs
Taxes Recoverable	1,248.14	934.95

## Notes to Financial Statements for the year ended March 31, 2023

## c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
<b>Profit Before tax</b>	<b>65,484.30</b>	<b>(12,133.86)</b>
Tax Rate	25.17%	29.12%
Tax using the Company's domestic rate	16,481.09	(3,533.38)
<b>Tax Effect of:</b>		
Effects of expenses that are not deductible in determining taxable profit	65.31	48.97
Effects of current year's unabsorbed depreciation and loss not recognised as deferred tax assets	145.42	3,512.64
Liabilities written back	(14,849.12)	-
Effects of previously unrecognised and unused tax losses and unabsorbed depreciation now recognised as deferred tax assets	(1,842.70)	(28.23)
<b>Effective tax rate</b>	<b>-</b>	<b>-</b>
<b>Tax expenses as per Books</b>	<b>-</b>	<b>-</b>

## d) Deferred Tax Liability (net)

	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
<b>Deferred Tax (liabilities) / assets in relation to:</b>				
Liability on Accelerated depreciation for tax purpose	(7,548.70)	(5,273.01)	2,275.69	1,245.84
Liability on account of Right to Use Assets	821.90	(726.11)	(1,548.01)	243.29
Asset on Lease Liability	(546.67)	730.76	1,277.43	(221.31)
Employee Benefit Provision	26.39	-	(26.39)	-
Deferred tax Assets to the extent of Deferred tax Liability recognised on unabsorbed	7,247.07	5,268.35	(1,978.72)	(1,267.81)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has recognised the deferred tax assets to the extent of Deferred tax liability amounting to ₹ 7247.07 lacs (Previous Year ₹ 5268.35 lacs) . The deferred tax assets have been recognised on unabsorbed depreciation and carry forward losses to the extent of deferred tax liability as the Company believes that it will be able to utilise deferred tax assets against future tax liability.

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

	March 31, 2023 ₹ In Lacs	March 31, 2022 ₹ In Lacs
Tax income / (expenses) during the year recognised in Statement of Profit and Loss	-	-
Tax income / (expenses) during the year recognised in OCI	-	-
	<b>-</b>	<b>-</b>

## e) The Company has carried forward unabsorbed depreciation aggregating ₹ 69,421.32 lacs (previous year ₹ 69,421.32 lacs) under the Income tax Act, 1961 for which there is no expiry date of its tax credit utilisation by the Company. Further, the Company has carried forward losses aggregating to ₹ 29,252.05 lacs (previous year ₹ 36,732.08 lacs) under the Income tax Act, 1961 which gets expired within 8 years of the respective year. The carried forward losses will get expired mainly during the financial year 2022-23 to 2030-31.

Financial Year	Amount as at 31.03.2023 (₹ in Lacs)	Expiry Date
2015-16	2245.90	2023-24
2016-17	1269.20	2024-25
2017-18	4577.63	2025-26
2018-19	5955.05	2026-27
2019-20	6720.19	2027-28
2020-21	2216.08	2028-29
2021-22	6267.99	2029-30
<b>Total</b>	<b>29252.05</b>	

Deferred tax asset has been recognised to the extent of Deferred tax Liability in respect of these unabsorbed depreciation as they may not be used to offset taxable profits of the Company in future years.

During the year, the company has opted New Taxation Regime under section 115BAA of the Income Tax Act, 1961.

## Notes to Financial Statements for the year ended March 31, 2023

24 Earnings per share (EPS)	Unit of Measurement	March 31, 2023	March 31, 2022
Profit/ (Loss) attributable to equity shareholders of the Company	₹ in Lacs	65,484.30	(12,133.86)
Weighted average number of equity shares in calculating basic and diluted EPS	No.s	12,00,50,000	12,00,50,000
<b>Basic and Diluted earning per share (in ₹)</b>	<b>₹</b>	<b>54.55</b>	<b>(10.11)</b>

## 25 Disclosures as required by Ind AS - 19 Employee Benefits

- a) The Company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 21.70 lacs (previous year ₹ 20.81 lacs) as expenses under the following defined contribution plan.

Contribution to	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Provident Fund	21.70	20.81

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

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

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

## c) Gratuity

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

Particulars	March 31, 2023	March 31, 2022
Present value of the defined benefit obligation at the beginning of the year	122.73	91.07
Current service cost	10.35	8.91
Past Service Cost	-	-
Interest cost	8.23	6.10
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	0.87	0.52
- change in financial assumptions	(16.32)	13.36
- experience variance	2.29	0.67
Benefits paid	(14.01)	(3.42)
Liability Transfer in	11.71	30.31
Liability Transfer out	(15.09)	(24.79)
Present value of the defined benefit obligation at the end of the year	<b>110.76</b>	<b>122.73</b>

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

Particulars	March 31, 2023	March 31, 2022
Fair value of plan assets at the beginning of the year	65.44	61.33
Investment income	4.51	4.11
Contributions by employer	-	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Fair value of plan assets at the end of the year	<b>69.95</b>	<b>65.44</b>

## c) Net (liability) recognised in the balance sheet

Particulars	March 31, 2023	March 31, 2022
Present value of the defined benefit obligation at the end of the year	110.76	122.73
Fair value of plan assets at the end of the year	69.95	65.44
Amount recognised in the balance sheet	(40.81)	(57.29)
Net (liability) - Non-Current	(40.81)	(57.29)

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

Particulars	March 31, 2023	March 31, 2022
Current service cost	10.35	8.91
Interest cost/(Income) on benefit obligation/(asset)	3.72	1.99
Total Expenses included in employee benefits expense	<b>14.06</b>	<b>10.90</b>



## Notes to Financial Statements for the year ended March 31, 2023

## e) Recognised in the other comprehensive income for the year

₹ in Lacs

Particulars	March 31, 2023	March 31, 2022
Actuarial (gain)/losses arising from		
- change in demographic assumptions	0.87	0.52
- change in financial assumptions	(16.32)	13.36
- experience variance	2.29	0.67
Return on plan assets, excluding amount recognised in net interest expense	-	-
<b>Recognised in other comprehensive income</b>	<b>(13.15)</b>	<b>14.56</b>

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

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.50%	6.90%
Rate of escalation in salary (per annum)	8.50%	10.00%
Mortality	Indian assured mortality table 2012-14	Indian assured mortality table 2012-14
Attrition rate	6.90%	9.11%

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

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

Particulars	March 31, 2023	March 31, 2022
Investments with insurer*	100%	100%

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

## h) Sensitivity Analysis Method

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

## Quantitative sensitivity analysis for significant assumption is as below

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

Particulars	March 31, 2023		March 31, 2022	
	Discount rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(7.57)	8.52	(8.06)	9.10

Particulars	March 31, 2023		March 31, 2022	
	Salary Growth rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	8.35	(7.57)	8.74	(7.92)

Particulars	March 31, 2023		March 31, 2022	
	Attrition rate			
Sensitivity level	50% Increase	50% Decrease	50% Increase	50% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(1.30)	1.75	(5.06)	7.96

Particulars	March 31, 2023		March 31, 2022	
	Mortality rate			
Sensitivity level	10% Increase	10% Decrease	10% Increase	10% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(0.01)	0.01	(0.04)	0.04

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

## Notes to Financial Statements for the year ended March 31, 2023

**i) Asset-Liability Matching Strategies**

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

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

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

Particulars	March 31, 2023	March 31, 2022
Weighted average duration (based on discounted cash flows)	7 years	7 years

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

Particulars	₹ in Lacs	
	March 31, 2023	March 31, 2022
Within the next 12 months (next annual reporting period)	8.05	20.09
Between 2 and 5 years	47.52	49.89
Between 6 and 10 years	60.90	57.61
Beyond 10 years	96.22	91.09
<b>Total Expected Payments</b>	<b>212.69</b>	<b>218.69</b>

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

- The company expects to contribute ₹ 49.89 lacs (previous year ₹ 66.85 lacs) to gratuity fund during next year.

**26 Segment information**

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

## Notes to Financial Statements for the year ended March 31, 2023

## 27 Related Party Disclosures

The Management has identified the following entities as related parties of the Company for the year ended March 31, 2023 for the purposes of reporting as per Ind AS 24 – Related Party Transactions, which are as under:

Criteria	Name of the Company
<b>A. Related parties where control exists.</b>	
Parent Company	Adani Ports And Special Economic Zone Limited
<b>B. Related parties with whom transactions have been taken place during the year.</b>	
<b>Fellow Subsidiary</b>	Adani Hazira Port Limited (earlier known as Hazira Port Private Limited)
	Adani Logistics Limited
	Adani Murmugao Port Terminal Private Limited
	Adani Hospitals Mundra Private Limited
	Mundra International Airport Limited
	Shanti Sagar International Dredging Private Limited
	Mundra LPG Terminal Private Limited
	Adani Petronet (Dahej) Port Limited
	The Adani Harbour Services Limited (earlier known as The Adani Harbour Services Private Limited)
	Adani Enterprises Limited
<b>Entities over which major shareholders of the parent company are able to exercise control or significant influence through voting powers</b>	Adani Green Energy Limited
	Adani Infrastructure Management Services Limited
	Adani Power Limited
	Adani Power Rajasthan Limited (Merged with Adani Power Ltd. w.e.f. March 07, 2023)
	Adani Power Maharashtra Limited (Merged with Adani Power Ltd. w.e.f. March 07, 2023)
	Adani Power Mundra Limited (Merged with Adani Power Ltd. w.e.f. March 07, 2023)
	Adani Wilmar Limited
	Mundra Solar Energy Limited
	Mundra Solar Technology Limited
	Ahmedabad International Airport Limited
Adani Logistics Limited	
<b>Joint Ventures of Holding company</b>	Adani International Container Terminal Private Limited
<b>Key Managerial Personnel</b>	Mr. Avinash Rai - Managing Director (upto 02.05.2021)
	Mr. Subrat Tripathy - Managing Director (w.e.f. 03.05.2021)
	Mr. Hiren Dhiraj Shah - Director (w.e.f. 26.10.2021)
	Mr. Paresh Budhia - Chief Financial Officer (w.e.f. 06.09.2022)
	Mrs. Komal Shaival Majmudar - Director
	Mrs. Nayanaben Bhairavdanji Gadhvi - Director
	Mr., Anand Jagdish Prasad Singhal-Chief Financial Officer (upto 29.01.2022)
	Mr. Vismay Kirtankumar Shah-Company Secretary
<b>Entities in which key Manager Personnel is Interested</b>	Commercial Consulting Imperial Management Consulting

**Notes:**

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

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

## (A) Transactions with Related Party

₹ in Lacs

No	Head	Relationship	Name of Related Party	Year ended on March 31, 2023	Year ended March 31, 2022
1	Income from Port Services/Rendering of Services	Parent Company	Adani Ports And Special Economic Zone Limited	1,458.55	1,715.08
		Other Entity*	Adani Infrastructure Management Services Limited	-	0.30
		Other Entity*	Adani Wilmar Limited	340.25	-
		Other Entity*	Adani Enterprises Limited	3,123.00	3,218.20
2	Sale of material	Parent Company	Adani Ports And Special Economic Zone Limited	1.09	0.20
		Fellow Subsidiary	Adani Hazira Port Limited	-	0.34
		Other Entity*	Mundra Solar Technology Limited	2.01	-
		Other Entity*	Mundra International Airport Private Limited	0.38	-
		Other Entity*	Adani Power Maharashtra Limited	14.88	-
		Other Entity*	Adani Power Rajasthan Limited	-	2.42
		Other Entity*	Mundra Solar Energy Limited	2.16	-
3	Interest Expense	Parent Company	Adani Ports And Special Economic Zone Limited	5,009.41	6,134.63
		Fellow Subsidiary	Adani Hazira Port Limited	-	1,500.00
4	Purchase of Power & Fuel	Other Entity*	Adani Enterprises Limited	-	36.64
		Other Entity*	Adani Infrastructure Management Services Limited	18.88	-
5	Purchase of Materials	Parent Company	Adani Ports And Special Economic Zone Limited	-	1.04
		Fellow Subsidiary	Mundra LPG Terminal Private Limited	-	1.12
6	Services Availed (including reimbursement of expenses)	Parent Company	Adani Ports And Special Economic Zone Limited	-	18.25
		Fellow Subsidiary	Adani Petronet (Dahej) Port Limited	8.80	-
		Fellow Subsidiary	Adani Logistics Limited	-	61.88
		Fellow Subsidiary	Shanti Sagar International Dredging Private Limited	351.85	-
		Fellow Subsidiary	Adani Hazira Port Limited	9.52	19.52
		Other Entity*	Adani Enterprises Limited	-	0.06
		Other Entity*	Adani Power Mundra Limited	0.01	0.11
		Fellow Subsidiary	Adani Hospitals Mundra Private Limited	1.17	0.81
7	Loans Taken	Parent Company	Adani Ports And Special Economic Zone Limited	16,348.01	19,694.00
		Parent Company	Adani Ports And Special Economic Zone Limited	17,220.37	20,087.00
8	Loans Repaid	Parent Company	Adani Ports And Special Economic Zone Limited	17,220.37	20,087.00
		Parent Company	Adani Ports And Special Economic Zone Limited	49,123.16	-
9	Liabilities written back	Fellow Subsidiary	Adani Hazira Port Limited	21,350.00	-
		Fellow Subsidiary	Adani Hazira Port Limited	21,350.00	-
10	Professional & Consultancy Fees	Entities in which key Manager Personnel is Interested	Commercial Consulting	48.93	20.39
			Imperial Management Consulting	-	49.11
11	Sitting Fees	Key Managerial Personnel and Their Relatives	Ms. Komal Majmudar	1.32	0.59
			Ms. Nayna Gadhvi	1.32	0.59

## (B) Balances with Related Party

₹ in Lacs

No	Head	Relationship	Name of Related Party	As on March 31, 2023	As on March 31, 2022
1	Trade Receivable (net of bills discounted)	Parent Company	Adani Ports And Special Economic Zone Limited	93.44	212.61
		Other Entity*	Adani Power Mundra Limited	-	2.77
		Fellow Subsidiary	Adani Hazira Port Limited	-	0.40
		Other Entity*	Adani Power Limited	17.55	-
		Other Entity*	Mundra International Airport Private Limited	0.00	-
		Other Entity*	Adani Enterprises Limited	865.53	509.44
2	Trade Payable (including provisions)	Parent Company	Adani Ports And Special Economic Zone Limited	27.65	0.00
		Fellow Subsidiary	Adani Hazira Port Limited	4.82	11.82
		Other Entity*	Adani Enterprises Limited	-	4.22
		Other Entity*	Ahmedabad International Airport Limited	-	4.17
		Other Entity*	Adani Green Enregy Limited	-	8.70
		Other Entity*	Adani Power Mundra Limited	-	0.11
		Other Entity*	Adani Infrastructure Management Services Limited	2.88	1.60
		Fellow Subsidiary	Adani Petronet (Dahej) Port Limited	5.10	-
		Fellow Subsidiary	Shanti Sagar International Dredging Private Limited	379.99	-
Fellow Subsidiary	Adani Hospitals Mundra Private Limited	-	0.73		
3	Advance to suppliers	Fellow Subsidiary	Adani Ports And Special Economic Zone Limited	-	23.31
		Other Entity*	Mundra LPG Terminal Private Limited	-	4.74
4	Contract Assets	Other Entity*	Adani Enterprises Limited	-	107.29
5	Other Current Non Financial Assets	Fellow Subsidiary	Adani Logistics Limited	-	1.69
		Other Entity*	Adani International Container Terminal Private Limited	0.70	-
		Fellow Subsidiary	Adani Murmugao Port Terminal Private Limited	16.25	-
6	Other Current Liabilities	Parent Company	Adani Ports And Special Economic Zone Limited	654.44	10,123.16
		Fellow Subsidiary	Adani Hazira Port Limited	-	1,350.00
7	Borrowings	Parent Company	Adani Ports And Special Economic Zone Limited	66,810.27	81,682.64
		Fellow Subsidiary	Adani Hazira Port Limited	-	20,000.00
8	Perpetual Securities	Parent Company	Adani Ports And Special Economic Zone Limited	-	25,000.00

\* Entities over which (i) Key Management Personnel and their relatives & (ii) entities having significant influence over the Company have control or are under significant influence through voting powers.

**Note:**

The Company has issued bank guarantees of Rs. 444.48 lacs out of the limits available with the Adani Ports and Special Economic Zone Limited (Parent Company).

**28 Unhedged foreign currency exposure**

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

Nature	As at March 31, 2023		As at March 31, 2022	
	Amount	Foreign Currency	Amount	Foreign Currency
	₹ in Lacs	In Million	₹ in Lacs	In Million
Advances recoverable other than in cash	1.22	EUR 0.001	13.34	EUR 0.02

Closing rates as at :

	March 31, 2023	March 31, 2022
INR / EUR	89.44	84.22

**29 Financial Instruments, Fair value Measurement, Financial Risk & Capital Management****29.1 Category-wise Classification of Financial Instruments:**

Particulars	Refer Note	March 31, 2023			
		Fair Value through Other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
		₹ in Lacs			
<b>Financial Assets</b>					
Trade receivables	7	-	-	2,311.81	2,311.81
Cash and Cash Equivalents	8	-	-	516.19	516.19
Others Financial Assets	4	-	-	112.07	112.07
<b>Total</b>		-	-	<b>2,940.07</b>	<b>2,940.07</b>
<b>Financial Liabilities</b>					
Borrowings	11	-	-	66,810.27	66,810.27
Trade Payables	14	-	-	2,695.13	2,695.13
Lease Liability	12	-	-	2,172.08	2,172.08
Other Financial Liabilities	13	-	-	734.03	734.03
<b>Total</b>		-	-	<b>72,411.51</b>	<b>72,411.51</b>

Particulars	Refer Note	March 31, 2022			
		Fair Value through Other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
		₹ in Lacs			
<b>Financial Assets</b>					
Trade receivables	7	-	-	1,601.44	1,601.44
Cash and Cash Equivalents	8	-	-	154.04	154.04
Others Financial Assets	4	-	-	111.17	111.17
<b>Total</b>		-	-	<b>1,866.65</b>	<b>1,866.65</b>
<b>Financial Liabilities</b>					
Borrowings	11	-	-	1,01,682.63	1,01,682.63
Trade Payables	14	-	-	1,715.05	1,715.05
Lease Liability	12	-	-	2,055.27	2,055.27
Other Financial Liabilities	13	-	-	11,537.41	11,537.41
<b>Total</b>		-	-	<b>1,16,990.36</b>	<b>1,16,990.36</b>

**29.2 Fair Value Measurements :****Financial Instrument measured at Amortised Cost**

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

### 29.3 Financial Risk objective and policies

The Company's principal financial liabilities comprises loans, borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets includes trade and other receivables, and cash and cash equivalents .

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk. The Parent Company's senior management oversees the management of these risks.

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

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

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

#### (a) Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March, 2023. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

#### (i) Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates and period of borrowings. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not have any long-term debt obligations having floating interest rates as at year ended March 31, 2023 and March 31, 2022.

#### (ii) Foreign currency risk

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

The details of unhedged exposures are given as part of Note 28.

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

Particulars	Impact on profit before tax	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>EUR Sensitivity</b>		
RUPEES / EUR – Increase by 1%	0.01	0.13
RUPEES / EUR – Decrease by 1%	(0.01)	(0.13)

₹ in Lacs



**(b) Credit risk**

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

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

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

Concentrations of Credit Risk form part of Credit Risk

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

Out of total revenue, the Company earns ₹ 11917.02 Lacs of revenue during the year ended March 31, 2023 (previous year ₹ 9642.74 lacs) from such port user which constitute 51.40% (previous year 55.11 %) of total revenue.

Accounts receivable from such customers approximated ₹ 1628.81 lacs as at March 31, 2023.(previous year ₹ 1219.93 lacs), which constitute 70.46% of total receivables (previous year 93.79%).

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

**(c) Liquidity risk**

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

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

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

Particulars	₹ in Lacs			
	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>As at March 31, 2023</b>				
Borrowings	-	810.27	66,000.00	66,810.27
Interest on borrowings	5,024.50	19,894.48	8,245.48	33,164.45
Trade Payables	2,695.13	-	-	2,695.13
Other Financial Liabilities	243.95	872.46	2,749.01	3,865.43
<b>Total</b>	<b>7,963.58</b>	<b>21,577.21</b>	<b>76,994.49</b>	<b>1,06,535.28</b>
<b>As at March 31, 2022</b>				
Borrowings	74.88	21,607.75	80,000.00	1,01,682.63
Interest on borrowings	7,626.18	27,297.91	16,010.96	50,935.05
Trade Payables	1,715.05	-	-	1,715.05
Other Financial Liabilities	225.41	677.44	3,108.40	4,011.25
<b>Total</b>	<b>9,641.52</b>	<b>49,583.09</b>	<b>99,119.36</b>	<b>1,58,343.98</b>

**Note:**

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the refinancing options available with the Company.

**29.4 Capital management**

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

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

Particulars	₹ in Lacs	
	March 31, 2023	March 31, 2022
Total Borrowings (refer note 11)	66,810.27	1,01,682.63
Less: Cash and cash equivalents (refer note 8)	516.19	154.04
Net Debt (A)	<b>66,294.08</b>	<b>1,01,528.59</b>
Total Equity (B)	<b>369.34</b>	<b>(40,128.11)</b>
Total Equity and Net Debt (C = A + B)	<b>66,663.42</b>	<b>61,400.48</b>
Gearing ratio (A/C)	99%	165%

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

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the Principal Interest	53.61 -	74.00 -
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

## Notes to Financial Statements for the year ended March 31, 2023

## 31 Below are the ratio as on March 31, 2023 and March 31, 2022

Sr No	Ratio Name	Formula	March 31, 2023	March 31, 2022	% Variance	Reason for variance
1	Current	Current Assets / Current Liabilities	1.07	0.30	258.05%	(refer note i below)
2	Debt-Equity	Total Debt / Shareholder's Equity	180.89	-2.53	-7238.69%	(refer note ii below)
3	Debt Service Coverage	Earnings available for debt service (PAT + Interest cost + Foreign Exchange Loss or (Gain) (net) + Depreciation) / Debt Service ( Interest cost & lease payments + repayment of non current debt made during the period excluding refinanced loans))	3.41	0.17	1880.32%	(refer note ii below)
4	Return on Equity	Net Profit after Taxes / Avg Shareholder's Equity	-329.41%	NA	-	(refer note iii below)
5	Inventory Turnover	Revenue from operations / Average Inventory	NA	NA	-	(refer note v below)
6	Trade Receivables Turnover	Revenue from operations / Average Accounts Receivable	11.85	11.40	3.98%	-
7	Trade Payable Turnover	Operating exp & Other expense/ Average Trade Payable	7.73	6.19	25.02%	-
8	Net Capital Turnover	Revenue from Operation / Avg Working Capital	-1.17	-0.51	126.97%	(refer note iv below)
9	Net Profit	Profit After Tax / Revenue from Operations	282.44%	-69.34%	-507.32%	(refer note ii below)
10	Return on Capital Employed	Earnings before Interest and Taxes / Capital Employed (Tangible Networth+Total Debt)	4.56%	NA	-	(refer note iii below)
11	Return on Investment	Income generated from invested funds / Average invested funds in treasury instruments	NA	NA	-	

**Note : Reason for variance**

- (i) (a) Current Assets: Receivables realised in current year, increase balance of Cash & Cash Equivalents due to new Fixed Deposit and  
(b) Current Liabilities: Decrease in current liabilities on account of liabilities written back.
- (ii) Due to Liabilities written back.
- (iii) Return on Equity and Return on Capital Employed is not applicable in previous year as net profit, EBIT and Capital employed were negative. The same is positive in current year due to liabilities written back
- (iv) Due to Increase in Turnover and liabilities written back.
- (v) Inventory Turnover ratio is not applicable as company is not trading in goods, Inventory showing in financial statement are for the purpose of R&M of machineries.

**32** As at March 31, 2023, the Company has incurred net profit of ₹ 65,497.45 lacs (March 31, 2022 ₹ (12,148.42 lacs)) and has accumulated losses of ₹ 11,635.66 lacs (March 31, 2022 ₹ 77,133.11 lacs). This being an infrastructure project having long gestation period, the management expects that there will be significant increase in the operations of the Company that will lead to improved cash flows and long term sustainability. Adani Ports and Special Economic Zone Limited, the Parent Company has undertaken to provide such financial support as necessary, to enable the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a 'going concern' basis.

**Notes to Financial Statements for the year ended March 31, 2023**

**33** The management has carried out detailed cash flow projections over the period of the concession agreement in determining the recoverable value of the Property, Plant and Equipment and Intangible Assets comprising of service concession rights in accordance with Ind AS 36, Impairment of Assets. For such assessment of impairment, the Company has considered approved budget for estimates pertaining to FY 2022-23 and for the subsequent period cargo growth of 8 % and Discounting rate of 13.5% has been applied. The Management has made various estimates relating to cargo traffic, port tariffs, inflation, discount rates, revenue share etc. which are reasonable over the entire concession period and concluded that the recoverable amount of Property, Plant and Equipment and Intangible Assets is higher than their carrying amounts of Rs. 639.06 crore as at March 31, 2023. Hence, no provision for impairment is considered necessary at this stage.

**34 Capital commitments & other commitment****Capital commitments**

₹ in Lacs

Particulars	March 31, 2023	March 31, 2022
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	555.93	208.39

**35 Contingent liabilities not provided for**

During the financial year 2020-21, the company had received notice from Port Trust Authority, relating to royalty on deemed storage income for ₹ 41.40 crores pertaining to financial years upto 2019-20. The company has applied for extending the relief of rationalised tariff retrospectively, available under guidelines issued by Ministry of Shipping dated July 11, 2018. Out of ₹ 41.40 crores, the company has agreed upon and paid an amount of ₹ 18.67 crores till date and the management is reasonably confident that no further liability shall arise on the company.

**36 Statutory information**

(i) The company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.

(ii) The company was not required to file quarterly statement/returns of current assets with the banks or financial institutions w.r.t. secured working capital borrowings or the year ended March 31, 2023.

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(v) Based on information available with the Company, there are no such balances that exists with Struck off Companies.

**37 Standards issued but not effective:**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, as and when they become effective. The Ministry of Corporate Affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31st March, 2023. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board (IASB) into Ind AS and has amended the following standards:

1. Ind AS 101 - First-time adoption of Ind AS
2. Ind AS 102 - Share Based Payment
3. Ind AS 103 – Business Combinations
4. Ind AS 107 – Financial Instruments - Disclosures
5. Ind AS 109 – Financial Instruments
6. Ind AS 115 – Revenue from Contracts with Customers
7. Ind AS 1 – Presentation of Financial Statements
8. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
9. Ind AS 12 - Income Taxes
10. Ind AS 34 – Interim Financial Reporting

These amendments shall come into force with effect from April 01, 2023.

The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from applicability date.

**38** During the quarter ended March 31, 2023, a short seller had issued a report making allegations involving Adani Group companies including APSEZ Group, which have been duly denied by Adani Group. To uphold the principles of good governance, Adani Group had undertaken review of transactions referred in the short seller's report (including that of the Company) through an independent law firm. The report confirms the Company's compliance of applicable laws and regulations. Further, in context of the short seller's report, there is petition filed in the Hon'ble Supreme Court, and SEBI is examining compliance of laws and regulations by conducting inquires to the Group's listed companies. Based on the foregoing and pending outcome of the investigations mentioned above, the financial statements do not carry any adjustments.

**39 Events occurring after the Balance sheet Date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 01, 2023, there are no subsequent events to be recognised or reported that are not already disclosed.

**For Dharmesh Parikh & Co. LLP**

Firm Registration No : 112054W/ W100725

Chartered Accountants

Harsh Parikh  
[Partner]  
Membership No. 194284

**Place: Ahmedabad**  
**Date : May 01, 2023**

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

**Subrat Tripathy**  
**Managing Director**  
**DIN: 06890393**

**Paresh Budhia**  
Chief Financial Officer

**Place: Ahmedabad**  
**Date : May 01, 2023**

**Hiren Shah**  
**Director**  
**DIN : 00275758**

**Vismay Shah**  
Company Secretary