

Gangavaram Port Services
(India) Private Limited

Financial Statements for the
FY - 2022-23

Independent Auditors' Report

To

The Members,

Gangavaram Port Services (India) Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Gangavaram Port Services (India) Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (Including other comprehensive income), the Statement of Changes in Equity and the Statement Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the loss 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure -A a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 changes in Equity and the statement of Cash flows and dealt with by this Report are in agreement with the relevant books of account.

 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.

 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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"; and

 - (g) The company has not paid or provided any managerial remuneration during the year. Hence, with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act is not applicable.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Ind AS financial statements, 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
 - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Ind AS financial statements, 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.
 - c) Based on such audit procedures that were 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 (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company; and
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

for Visweswara Rao & Associates
Chartered Accountants
Firm Registration No. 005774S

(Mahidhar.S.G.)
Partner
Membership No.216463
UDIN: 23216463BGYIGC9780

Place: Hyderabad
Date: 27-04-2023

Annexure- A to the Independent Auditors' Report:

The Annexure referred to the Independent auditors' report to the members of the company on the financial statements for the year ended 31 March 2023, we report that:

- (i)
 - (a) A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - B) The company is maintaining proper records showing full particulars of intangible assets.
 - (b) All the Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
 - (d) According to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year hence clause 3 (i)(d) of the Companies (Auditor's Report) Order, 2020 is not applicable.
 - (e) According to the information and explanations given to us, 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 hence paragraph 3 (i)(e) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- (ii)
 - (a) The company has no inventory, hence clause 3 (ii)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable.
 - (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
 - (iii) The company has not made / provided / granted any investments, guarantee / security, loans, or loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year by the company. Accordingly, the requirement to report on clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.
 - (iv) The company has not granted/made/given any loans, investments, guarantees, and security under section 185 and 186 of the Companies Act, 2013 and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
 - (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
 - (vi) In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.

- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us the company has been generally regular in depositing the undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as at 31st March, 2023 which have not been deposited on account of a dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, clause 3 (ix) (a) of the Companies (Auditor's Report) Order, 2020 is not applicable
- (b) In our opinion and according to the information and explanations given to us the company is not declared as wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not raised any term loans during the year. Accordingly, clause 3 (ix) (c) of the Companies (Auditor's Report) Order, 2020 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.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any amount by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3 (x)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) under section 42 and section 62 of the Companies Act, 2013. Accordingly, clause 3(x) (b) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- (xi) (a) According to the information and explanations given to us, no material fraud by the company or no material fraud on the company has been noticed or reported during the year.

- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by [cost auditor/ secretarial auditor or by us] 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) The Company is not a nidhi company. Accordingly, clause 3(xii) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
 - (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
 - (b) The company did not have an internal audit system for the period under audit.
- (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 non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- (xvi)
 - (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
 - (b) 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. Accordingly, clause 3(xvi)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable.
 - (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Companies (Auditor's Report) Order, 2020 is not applicable.
 - (d) According to the information and explanations given to us, there are no CICs in the Group. Accordingly, clause 3(xvi)(d) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- (xvii) The company has incurred cash losses only during the financial year of Rs.72.75 lakhs but has not incurred any cash losses during the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

- (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 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.
- (xx) The provisions of section 135 are not applicable to the company based on the threshold limits prescribed under section 135 of the said Act and hence the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For Visweswara Rao & Associates
Chartered Accountants
Firm Registration No .0057745

(Mahidhar.S.G)
Partner
Membership No.216463
UDIN: 23216463BGYIGC9780

Place: Hyderabad
Date: 27-04-2023

Annexure- B to the Independent Auditors' Report:

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

We have audited the internal financial controls over financial reporting of **Gangavaram Port Services (India) Private Limited** (“the Company”) as of 31st March 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 31st 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 Visweswara Rao & Associates
Chartered Accountants
Firm Registration No .005774S

(Mahidhar.S.G)
Partner
Membership No.216463
UDIN: 23216463BGYIGC9780

Place: Hyderabad
Date: 27-04-2023

Gangavaram Port Services (India) Private Limited

Balance sheet as at 31 March 2023

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Investment Property	3	25.49	25.49
Financial assets			
(i) Other financial assets	4	0.43	0.43
Deferred tax asset, net	5	147.23	153.46
Other tax assets	6	121.94	128.96
Total non-current assets		295.09	308.34
Current assets			
Financial assets			
(i) Cash and cash equivalents	7	193.90	134.65
Other assets	8	54.25	63.80
Total current assets		248.15	198.45
Total assets		543.24	506.79
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	100.00	100.00
Other equity	10	(186.30)	(230.58)
Total equity		(86.30)	(130.58)
LIABILITIES			
Non-current liabilities			
Financial liabilities		-	-
Provisions	11	221.38	218.60
Total non-current liabilities		221.38	218.60
Current liabilities			
Financial Liabilities			
Trade Payables			
- Total outstanding dues to micro enterprises and small enterprises		-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises		-	-
Other financial liabilities	12	6.21	33.33
Other liabilities	13	279.13	209.68
Provisions	11	122.82	175.76
Total current liabilities		408.16	418.77
		629.54	637.37
Total equity and liabilities		543.24	506.79

Significant accounting policies

1-2

Notes to the Ind AS financial statements

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The notes referred to above form an integral part of these Ind AS financial statements

As per our report of even date attached

for Visweswara Rao & Associates

Chartered Accountants

ICAI Firm Registration No: 005774S

for and on behalf of Board of Directors of

Gangavaram Port Services (India) Private Limited

CIN NO: U61100AP2008PTC059865

(Mahidhar.S.G)

Partner

Membership No.216463

(Devendra Shivilbhai Thakar)

Director

DIN : 07894658

(BADRINARAYAN GOKULDAS GANDHI)

Director

DIN : 08901624

Place: Hyderabad

Date: 27-04-2023

Gangavaram Port Services (India) Private Limited**Statement of profit and loss for the period ended 31 March 2023**

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue			
Revenue from operations	14	4,377.34	4,509.37
Other income	15	41.51	5.33
Total income		4,418.85	4,514.70
Expenses			
Employee benefits expense	16	4,470.50	4,495.17
Finance costs	17	0.01	0.01
Other expenses	18	21.09	18.02
Total expenses		4,491.60	4,513.20
Profit before tax		(72.75)	1.50
Income-tax expense			
- Current tax	19	-	6.45
- Deferred tax	19	(18.92)	(6.06)
Profit for the year		(53.83)	1.11
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement (losses) / gains on defined benefit plans		132.58	49.34
Income tax effect of remeasurement on defined benefit plans		(34.47)	(12.83)
Net other comprehensive income not to be reclassified subsequently to profit or loss		98.11	36.51
Other comprehensive expenditure/(income) for the year, net of tax		98.11	36.51
Total comprehensive income for the year		44.28	37.62
Earning per share - (face value of share INR 10 each)			
Basic and diluted		(5.38)	0.11

Significant accounting policies

1-2

Notes to the Ind AS financial statements

3 - 34

The notes referred to above form an integral part of these Ind AS financial statements

As per our report of even date attached

for Visweswara Rao & Associates

Chartered Accountants

ICAI Firm Registration No: 005774S

**for and on behalf of Board of Directors of
Gangavaram Port Services (India) Private Limited**

CIN NO: U61100AP2008PTC059865

(Mahidhar.S.G)

Partner

Membership No.216463

(Devendra Shivalbhai Thakar)

Director

DIN : 07894658

(BADRINARAYAN GOKULDAS GANDHI)

Director

DIN : 08901624

Place: Hyderabad

Date: 27-04-2023

Gangavaram Port Services (India) Private Limited**Cash Flow Statement for the year ended 31 March 2023**

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	(72.75)	1.50
Adjustments for non cash/non operational expenses:		
Depreciation and amortisation expense	-	-
Interest income classified as investing cash flow	(7.32)	(3.92)
Operating profits before working capital changes	(80.07)	(2.42)
Adjustments for working capital changes:		
Increase/(Decrease) in trade Payables	-	-
Increase in other financial assets	9.55	(25.29)
Increase/(Decrease) in provisions	82.42	137.90
Increase/(Decrease) in other financial liabilities	(27.13)	(296.69)
Increase in other non financial liabilities	69.47	75.39
Cash generated from operations	54.24	(111.11)
Income taxes paid (net off refunds)	(2.31)	46.09
Net cash flows from operating activities	51.93	(65.02)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Investment property	-	(25.49)
Interest received	7.32	3.92
Net cash flow from/(used in) investing activities	7.32	(21.57)
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash flows used in financing activities	-	-
Net increase /(decrease) in cash and cash equivalents	59.25	(86.59)
Cash and cash equivalents at the beginning of the year	134.65	221.24
Cash and cash equivalents at the end of the year	193.90	134.65

As per our report on Ind AS financial statements of even date attached

for **Visweswara Rao & Associates**

Chartered Accountants

ICAI Firm Registration No: 005774S

for and on behalf of **Board of Directors of**

Gangavaram Port Services (India) Private Limited

CIN NO: U61100AP2008PTC059865

(Mahidhar.S.G)

Partner

Membership No.216463

(Devendra Shivilbhai Thakar) (BADRINARAYAN GOKULDAS GANDHI)

Director

DIN : 07894658

Director

DIN : 08901624

Place: Hyderabad

Date: 27-04-2023

Gangavaram Port Services (India) Private Limited**Statement of changes in equity**

For the year ended 31 March 2023

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

A. Equity share capital

Particulars	Total
Balance as at 1 April 2022	100.00
Changes in equity share capital during 2022-23	-
Balance as at 31 March 2023	100.00

B. Other equity

Particulars	Other equity		Total
	Reserves and surplus		
	Retained earnings	Other items of other comprehensive income	
Balance as at 01 April 2021	(235.09)	(33.11)	(268.20)
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at 01 April 2021	(235.09)	(33.11)	(268.20)
Profit for the year	1.11	-	1.11
Other comprehensive income for the year, net of tax		36.51	36.51
Appropriations:			
- Interim dividend	-	-	-
- Dividend distribution tax	-	-	-
Balance as at 01 April 2022	(233.98)	3.40	(230.58)
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at 01 April 2022	(233.98)	3.40	(230.58)
Profit for the year	(53.83)	-	(53.83)
Other comprehensive income for the year, net of tax		98.11	98.11
Appropriations:			
- Interim dividend	-	-	-
- Dividend distribution tax	-	-	-
Balance at 31 March 2023	(287.81)	101.51	(186.30)

Significant accounting policies

1-2

Notes to the Ind AS financial statements

3 - 34

The notes referred to above form an integral part of these Ind AS financial statements

As per our report of even date attached

for Visweswara Rao & Associates

Chartered Accountants

ICAI Firm Registration No: 005774S

for and on behalf of Board of Directors of

Gangavaram Port Services (India) Private Limited

CIN NO: U61100AP2008PTC059865

(Mahidhar.S.G)

Partner

Membership No.216463

(Devendra Shivilalabhai Thakar)

Director

DIN : 07894658

(BADRINARAYAN GOKULDAS GANDHI)

Director

DIN : 08901624

Place: Hyderabad

Date: 27-04-2023

Gangavaram Port Services (India) Private Limited

Notes to the Ind AS financial statements for the year ended 31 March 2023 (continued)

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

1.1 Basis of preparation

(A) Statement of compliance responsibility statement

The financial statements are prepared and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rule, 2016 and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Director on 27th April 2023 .

Details of the accounting policies of the Company are included in Note 2.

(B) Statement of compliance responsibility statement

The Financial statements are prepared in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(C) Functional and presentation currency

All assets and liabilities are classified into current and non-current.

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability obligations	Fair value of plan assets less present value of defined benefit obligations

(D) Statement of compliance responsibility statement

In preparing these financial statements, in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

i. Estimates

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 adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Employee benefit plans

The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rates. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses.

b) Taxes

Significant judgements are involved in determining the provision for income taxes and deferred taxes including the amount expected to be paid or recovered in connection with uncertain tax positions.

c) Provisions and contingencies

Assessments undertaken in the recognizing provisions and contingencies have been made as per the best judgment of the management based on the current available information.

d) Financial assets and financial liabilities

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgments is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Gangavaram Port Services (India) Private Limited

Notes to the Ind AS financial statements for the year ended 31 March 2023 (continued)

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

2. Significant accounting policies

2.1 Summary of significant accounting policies

A) Current / non-current classification

All assets and liabilities are classified into current and non-current.

i. Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

ii. Liabilities

Operating cycle: The Company has ascertained its Operating cycle as 12 months i.e. the time between the acquisition of assets for processing and their realisation in cash or cash equivalent.

B) Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment ("PPE") are carried at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment loss, if any. The cost of PPE comprises the purchase price, taxes, duties, freight (net of rebates, discounts, central excise, input tax credit availed and refund of any taxes and duties received/ receivable from the relevant Government authorities) and any other directly attributable costs of bringing the assets to their working condition for their intended use.

Each part of an item of PPE having identifiable significant cost and a separate useful life are depreciated over the useful life of such part. Tangible and intangible assets under construction are disclosed as capital work-in-progress.

Administrative and other general expenses incurred during the project construction period / for acquisition of tangible fixed assets is capitalised as part of the asset cost to the extent such expenditure is attributable to the construction of the project / acquisition of tangible fixed assets or is incidental thereto.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Borrowing costs include interest and other cost (including exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost) incurred in connection with borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Machinery spares, which are capital in nature, are capitalised as part of the tangible fixed assets.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under long-term loans and advances and the cost of property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress.

An item of property, plant and equipment 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 statement of profit or loss in the year the asset is derecognised.

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

Gangavaram Port Services (India) Private Limited

Notes to the Ind AS financial statements for the year ended 31 March 2023 (continued)

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognised as at 01 April 2015, measured as per the IGAAP, and use that carrying value as the deemed cost of such PPE.

iii. Subsequent measurement

Subsequent expenditures related to an item of tangible fixed assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

iv. Depreciation

The depreciation is provided under straight-line method over the estimated useful life of the assets, which are equal/lower than the rates prescribed under Schedule II of the Companies Act, 2013. Depreciation is calculated on pro rata basis from the date on which the asset is available for use or till the date the asset is sold or disposed. The estimated useful lives of the assets are based on a technical evaluation reflecting actual usage of assets.

Asset category	Estimated useful lives (Years)
Office equipment	5-10 years
Furniture & fixtures	10 years
Computers	3-6 years

In order to reflect a more appropriate presentation and systematic basis of depreciation charge representative of time pattern in which economic benefits will be derived from the use of these assets, all assets costing individually INR 100,000 or less shall be depreciated fully in the year of purchase.

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.

C) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

D) Revenue recognition

i. Revenue from operations

Revenue from contract with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services. Revenue is recognised only to the extent that the revenue can be reliably measured and there exists no significant uncertainty regarding the amount of the consideration that will be derived from rendering the services. Revenue, which cannot be reliably measured or which is of contingent nature is recognised in the period in which such uncertainties / contingencies are settled.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

ii. Interest income or expense

Interest income or expense is recognised using effective interest rate method.

E) Employee benefits

i) Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and other benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

ii) Post-employment benefits

a) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards provident fund to government administered provident fund scheme which is a defined contribution plan. The company's contribution is recognised as expense during the period in which the employee renders the related service.

Gangavaram Port Services (India) Private Limited

Notes to the Ind AS financial statements for the year ended 31 March 2023 (continued)

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

b) Defined benefit plan

Gratuity

In accordance with the applicable Indian laws, the Company provides for gratuity, defined benefit retirement plan ("the Gratuity plan") covering eligible employees. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Company fully contributes all ascertained liabilities to the gratuity fund administered and managed by SBI Life Insurance Company Limited. The liability is recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. The calculation of the Company's liabilities towards gratuity is performed annually by qualified independent actuary using the projected unit credit method.

The Company recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability, respectively in accordance with Ind AS 19, Employee benefits. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit or loss.

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or encash the leaves during the period of employment or retirement or at termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur. Actuarial gains and losses arising during the year are immediately recognised in the Statement of Profit and Loss.

F) Income tax

Income tax expense comprises current tax, deferred tax charge or credit and minimum alternate tax credit entitlement. Income tax expenses is recognized in statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income (OCI) or directly in equity respectively.

Gangavaram Port Services (India) Private Limited

Notes to the Ind AS financial statements for the year ended 31 March 2023 (continued)

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

i) Current tax

Current tax is the tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous year. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net asset basis.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the reporting date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the deferred tax assets can be realised in future against future taxable income. Deferred tax assets are reviewed at each balance sheet date and are recognised/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred-tax-relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to underlying transaction either in OCI or directly in equity.

iii) Minimum Alternate Tax (MAT) credit entitlement

MAT under the provisions of the Income-tax Act, 1961 ("IT Act") is recognised as current tax in the Statement of Profit and Loss. The credit available in respect of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

G) Provisions and contingent liabilities

i) General

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the Company expects some or all of the provisions to be reimbursed the expense relating to any provision is presented in the statement of profit or loss net of any-reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii) Onerous contract

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Gangavaram Port Services (India) Private Limited

Notes to the Ind AS financial statements for the year ended 31 March 2023 (continued)

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

H) Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares would be adjusted for the proceeds receivable had the shares been actually issued at par value.

I) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

J) Financial Instruments

i) Recognition and initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

ii) Classification and subsequent measurement

a) Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI - debt investment;
- FVOCI - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Gangavaram Port Services (India) Private Limited

Notes to the Ind AS financial statements for the year ended 31 March 2023 (continued)

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

b) Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) Derecognition

a) Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

b) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

K) Fair value measurement

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.

L) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cash at banks, demand deposits with banks, short term highly liquid investments and short term advances under cash pool arrangement that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value and have original maturity 3 months or less. These balances with banks are unrestricted for withdrawal and usage.

Deposits held at call with banks that are restricted for withdrawal and usage and having maturities of more than 3 months but remaining maturity of less than 12 months from the reporting date are classified as Bank balances other than Cash and Cash equivalents.

Deposits held at call with banks having remaining maturities of more than 12 months from the reporting date are classified as other financial assets.

Gangavaram Port Services (India) Private Limited

Notes to the Ind AS financial statements for the year ended 31 March 2023 (continued)

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

M) Impairment of assets

i) Impairment of non-financial assets

The Company recognises loss allowances for trade receivables at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ii) Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

N) Segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's components, and for which discrete financial information is available.

O) 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.

Company as a lessee

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying 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 (m) Impairment of non-financial assets.

Gangavaram Port Services (India) Private Limited

Notes to the Ind AS financial statements for the year ended 31 March 2023 (continued)

(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance 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.

The Company's lease liabilities are included in Interest-bearing loans and borrowings.

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

The Company applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases 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 incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. 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.

NOTE NO. 3: INVESTMENT PROPERTY

Particulars	As at March 31, 2023	As at March 31, 2022
Gross Carrying Amount		
Land	25.49	-
Add: Additions	-	25.49
Less: Deletions	-	-
(a) Closing Balance	25.49	25.49
Accumulated Depreciation		
Opening Accumulated Depreciation	-	-
Add: Depreciation during the year	-	-
(b) Closing Balance	-	-
Net Carrying Amount (a-b)	25.49	25.49

i) Amounts recognised in profit or loss for Investment properties

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rental Income	-	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-

ii) Fair Value

Particulars	As at March 31, 2023	As at March 31, 2022
Investment Property	25.49	25.49

4 Other financial assets

Particulars	Non-current		current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Security deposits	0.43	0.43	-	-
Total other financial assets	0.43	0.43	-	-

5 Deferred tax asset, net

The balance comprises temporary differences attributable to:

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits	89.49	110.09
Carry forward losses	5.04	-
Excess of depreciation/ amortisation on fixed assets in books of account over depreciation/ amortisation provided under income-tax law	0.03	0.03
MAT credit entitlement	52.67	43.34
Total Deferred tax asset, net	147.23	153.46

6 Other tax assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax (net)	121.94	128.96
Total non-current tax assets (net)	121.94	128.96

7 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	0.03	0.00
Balance with banks - in current accounts	193.87	134.65
Total cash and cash equivalents	193.90	134.65

(i) There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

8 Other assets

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	-	-	4.94	38.35
Balance with statutory authorities	-	-	25.07	14.15
Other advances and receivables	-	-	24.24	11.30
Total other assets			54.25	63.80

Equity share capital & other equity

9 Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
10,00,000 (31 March 2022 10,00,000) equity shares of INR 10 each	100.00	100.00
Issued, subscribed and paid-up		
10,00,000 (31 March 2022 10,00,000) equity shares of INR 10 each, fully paid-up	100.00	100.00

Notes :

(i) Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. All equity shares rank equally with regard to dividends and share in the Company's residual assets. Distribution of dividends and repayment of capital, if any, shall be subject to the provisions of applicable laws and the terms and conditions of the loan agreements executed by the Company with the lenders.

(ii) Reconciliation of the equity shares outstanding at the beginning and end of the reporting period :

Particulars	Number of shares	Amount
Shares outstanding at 1 April 2021	10,00,000	100.00
Shares issued during the year	-	-
Shares outstanding at 31 March 2022	10,00,000	100.00
Shares issued during the year	-	-
Shares outstanding at 31 March 2023	10,00,000	100.00

(iii) The details of shareholder holding more than 5% equity shares is set below:

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 10/- each fully paid-up				
Gangavaram Port Limited	-	0%	10,00,000	100%
Adani Ports and Special Economic Zone Limited*	10,00,000	100.00%	-	0%

As per the records of the Company including its register of shareholders and other declarations received from shareholders regarding beneficial interest the above shareholding represents both legal and beneficial interest.

* Due to the Composite Scheme of arrangement between Adani Ports and Speical Economic Zone Limited (APSEZ Ltd), Gangavaram Port Limited (GPL) and Adani Gangavaram Port Limited (AGPL), all assets of GPL including the shares held by GPL in Gangavaram Port Services (India) Pvt. Ltd (GPSIPL) have been transferred to APSEZ Ltd and Eventually GPSIPL became the wholly owned subsidiary of APSEZ Ltd.

Gangavaram Port Services (India) Private Limited
Notes to the Ind AS financial statements for the year ended 31 March 2023 (continued)
(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

(iv) The details of Shareholding of Promoters is as below:

Promoter Name	No. Of Shares at the beginning of the FY 2022-23 year	Change During the FY 2022-23 Year	No. of Shares at the end of the FY 2022-23 year	% of Total Shares	% Change during the FY 2022-23 year
Gangavaram Port Limited	10,00,000	(10,00,000)	-	100%	100%
Adani Ports and Special Economic Zone Limited	-	10,00,000	10,00,000	100%	100%

10 Other equity

Retained earnings

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	(230.58)	(268.20)
Net profit for the year	(53.83)	1.11
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
-Remeasurements of post-employment benefit obligation, net of tax	98.11	36.51
Appropriations	-	-
Closing balance	(186.30)	(230.58)

11 Provisions

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Leave obligations	200.74	218.60	11.32	10.61
Gratuity	20.64	-	111.50	165.15
Total provisions	221.38	218.60	122.82	175.76

12 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Employee benefits payable	5.02	29.12
Accrued expenses	1.19	4.21
Total other financial liabilities	6.21	33.33

13 Other liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory liabilities	115.32	127.10
Advances from customers	163.81	82.58
Total other liabilities	279.13	209.68

Gangavaram Port Services (India) Private Limited
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(All amounts in Indian Rupees in Lakhs except share data and where otherwise stated)

14 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income from manpower services	4,377.34	4,509.37
Total revenue from operations	4,377.34	4,509.37

15 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income	7.32	3.92
Other non- operating income	34.19	1.41
Total other income	41.51	5.33

16 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	3,896.48	3,876.24
Contribution to provident and other funds	483.31	520.96
Staff welfare expense	90.71	97.97
Total employee benefits expense	4,470.50	4,495.17

17 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Bank charges	0.01	0.01
Total finance costs	0.01	0.01

18 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Legal and professional (including auditors remuneration)	3.02	3.10
Travelling and conveyance	7.30	6.70
Power and Fuel	1.70	2.14
Rates and taxes	0.08	0.03
Communication expenses	5.09	4.11
Rent	1.20	1.20
Miscellaneous expenses	2.70	0.74
Total other expenses	21.09	18.02