

**Ocean Sparkle Limited**  
**Annual Financial Statement**  
**FY. 2022-23**

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Ocean Sparkle Limited Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Ocean Sparkle Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and 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.

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 March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and will 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.
- When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in

## **S. B. Billimoria & Co. LLP**

accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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.

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 2.35a to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.49 to the 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, 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 note 2.49 to the 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, 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.



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- (c) Based on the audit procedures performed 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 (a) and (b) above, contain any material misstatement.
  - v. The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Act.
  - 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 w.e.f. 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.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S. B. Billimoria & Co. LLP  
Chartered Accountants  
(Firm's Registration No. AAY - 7397)

Ganesh Balakrishnan  
Partner  
Membership No. 201193  
UDIN: 23201193BGPJQH6762

Place: Hyderabad  
Date: May 29, 2023

# **S. B. Billimoria & Co. LLP**

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Ocean Sparkle Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company and its joint operations companies incorporated in India (retain as applicable) based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements .

#### **Meaning of Internal Financial Controls with reference to standalone financial statements**

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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## **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the respective 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 S. B. Billimoria & Co. LLP  
Chartered Accountants  
(Firm's Registration No. AAY - 7397)

Ganesh Balakrishnan  
Partner  
Membership No. 201193  
UDIN: 23201193BGPJQH6762

Place: Hyderabad  
Date: May 29, 2023

## S. B. Billimoria & Co. LLP

### ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)	(a)(A)	The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
	(B)	The Company has maintained proper records showing full particulars of intangible assets.
	(b)	The Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
	(c)	Based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings disclosed in the financial statements included in property, plant and equipment, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for working capital loans are held in the name of the Company based on the confirmations directly received by us from lenders.
	(d)	The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
	(e)	No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
(ii)	(a)	The inventories except for stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.
	(b)	According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.
(iii)	(a), (b)	The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) and (iii)(b) of the Order are not applicable.
	(c)	In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
	(d)	According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.



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	(e)	No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.																														
	(f)	According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.																														
(iv)		The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.																														
(v)		The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.																														
(vi)		The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.																														
(vii)		According to the information and explanations given to us, in respect of statutory dues:																														
	(a)	<p>Undisputed statutory dues, including Goods and Services Tax, Provident Fund, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.</p> <p>There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employee State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.</p>																														
	(b)	<p>Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:</p> <table border="1"> <thead> <tr> <th>Name of Statute</th> <th>Nature of Dues</th> <th>Forum where Dispute is pending</th> <th>Period to which the amount Relates</th> <th>Amount involved (₹ in lakhs)</th> <th>Amount unpaid lakhs</th> </tr> </thead> <tbody> <tr> <td>Income Tax Act, 1961</td> <td>Income Tax</td> <td>Commissioner of Income Tax</td> <td>AY 2010-11; 2014-15; 2017-18</td> <td>471.21</td> <td>471.2</td> </tr> <tr> <td>Andhra Pradesh Value Added Tax Act, 2005</td> <td>Value Added Tax</td> <td>Andhra Pradesh High Court, Hyderabad</td> <td>April 2005 to August 2008 September to August 2010</td> <td>144.81</td> <td>118.7</td> </tr> <tr> <td>Andhra Pradesh Value Added Tax Act, 2005</td> <td>Value Added Tax</td> <td>Andhra Pradesh High Court, Hyderabad</td> <td>FY 2013-14 to FY 2017-18 (upto June 30, 2017)</td> <td>1,275.83</td> <td>1,275.9</td> </tr> <tr> <td>Cenvat Credit Rules, 2004</td> <td>CENVAT</td> <td>Principal Commissioner of Central Tax</td> <td>Apr 2014 to June 2017</td> <td>442.95</td> <td>442.9</td> </tr> </tbody> </table>	Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount Relates	Amount involved (₹ in lakhs)	Amount unpaid lakhs	Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	AY 2010-11; 2014-15; 2017-18	471.21	471.2	Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Andhra Pradesh High Court, Hyderabad	April 2005 to August 2008 September to August 2010	144.81	118.7	Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Andhra Pradesh High Court, Hyderabad	FY 2013-14 to FY 2017-18 (upto June 30, 2017)	1,275.83	1,275.9	Cenvat Credit Rules, 2004	CENVAT	Principal Commissioner of Central Tax	Apr 2014 to June 2017	442.95	442.9
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(viii)		There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.																														

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(ix)	(a)	In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
	(b)	The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.
	(c)	On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
	(d)	On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
	(e)	On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
	(f)	The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
(x)	(a)	The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
	(b)	During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
(xi)	(a)	To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
	(b)	To the best of our knowledge, no report 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, during the year.
	(c)	As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
(xii)		The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
(xiii)		In our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
(xiv)	(a)	In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
	(b)	We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2023.  However, we have not received some of the internal audit reports of the Company issued for the period January to March 2023, hence we were unable to consider the internal audit reports in our audit for the above mentioned period.
(xv)		In our opinion, during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
(xvi)	(a,b,c)	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order are not applicable.
	(d)	As represented to us by the Management, the Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

## **S. B. Billimoria & Co. LLP**

(xvii)	The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
(xviii)	There has been no resignation of the statutory auditors of the Company during the year.
(xix)	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 and 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 indicating 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 Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For S. B. Billimoria & Co. LLP  
Chartered Accountants  
(Firm's Registration No. AAY - 7397)

Ganesh Balakrishnan  
Partner  
Membership No. 201193  
UDIN: 23201193BGPJQH6762

Place: Hyderabad  
Date: May 29, 2023

**Ocean Sparkle Limited**  
**Balance Sheet as at March 31, 2023**  
(All amounts in Indian Rupees in lakhs, except share data and unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	116,063.45	117,165.54
Capital work-in-progress	2.1 (a)	174.97	86.49
Right-of-use asset	2.2	22.86	65.55
Other intangible assets	2.1	15.15	28.58
<b>Financial assets:</b>			
Investments	2.3	16,276.72	13,771.34
Trade receivables	2.4	-	0.47
Loans	2.5	-	760.00
Other financial assets	2.6	236.53	787.38
Income-tax assets (net)	2.7	1,713.30	2,904.80
Other non-current assets	2.8	1,825.04	306.06
<b>Total non-current assets</b>		<b>136,328.02</b>	<b>135,876.21</b>
<b>Current assets</b>			
Inventories	2.9	837.18	792.32
<b>Financial assets:</b>			
Investments	2.10	-	2,099.24
Trade receivables	2.11	7,480.38	8,226.33
Loans	2.5	-	160.00
Cash and cash equivalents	2.12	243.60	13,147.35
Bank balances other than cash and cash equivalents	2.13	1,389.14	4,283.54
Other financial assets	2.14	767.09	511.33
Other current assets	2.15	923.46	1,811.22
<b>Total current assets</b>		<b>11,640.85</b>	<b>31,031.33</b>
<b>Total assets</b>		<b>147,968.87</b>	<b>166,907.54</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	2.16	2,164.83	2,164.83
Other equity	2.17	128,856.34	113,093.09
<b>Total equity</b>		<b>131,021.17</b>	<b>115,257.92</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities:</b>			
Borrowings	2.18.1	-	34,443.32
Lease liabilities	2.19	8.15	44.89
Provisions	2.20	17.26	116.29
Deferred tax liabilities (net)	2.21	429.63	78.38
Other non-current liabilities	2.22	768.75	868.70
<b>Total non-current liabilities</b>		<b>1,223.79</b>	<b>35,551.58</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	2.18.2	8,950.00	11,005.20
Lease liabilities	2.24	16.47	27.96
Trade payables	2.23		
- Total outstanding dues of micro enterprise and small enterprises		379.58	222.81
- Total outstanding dues of creditors other than micro enterprise and small enterprises		5,232.36	2,512.10
Other financial liabilities	2.25	211.13	319.46
Provisions	2.26	6.41	173.08
Other current liabilities	2.27	861.28	1,640.04
Current tax liabilities (net)	2.7	66.68	197.39
<b>Total current liabilities</b>		<b>15,723.91</b>	<b>16,098.04</b>
<b>Total liabilities</b>		<b>16,947.70</b>	<b>51,649.62</b>
<b>Total equity and liabilities</b>		<b>147,968.87</b>	<b>166,907.54</b>
Corporate information and significant accounting policies	1		

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For **S.B.Billimoria & Co. LLP**  
Chartered Accountants  
(Firm's Registration Number : AAY-7397)

For and on behalf of the Board of Directors  
**Ocean Sparkle Limited**  
CIN:U05005TG1995PLC021217

**Ganesh Balakrishnan**  
Partner

**Hiren Shah**  
Managing Director  
DIN : 00275758

**Unmesh Abhyankar**  
Director  
DIN : 03040812

**Avinash Patel**  
Chief Financial Officer

**Sandeep Patel**  
Company Secretary  
Membership No. A45542

Place: Hyderabad  
Date: May 29, 2023

Place: Hyderabad  
Date: May 29, 2023

**Ocean Sparkle Limited****Statement of Profit and Loss for the year ended March 31, 2023**

(All amounts in Indian Rupees in lakhs, except share data and unless otherwise stated)

	Note	For the period ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations	2.28	53,339.37	52,625.74
Other income	2.29	10,125.99	1,204.16
<b>Total Income</b>		<b>63,465.36</b>	<b>53,829.90</b>
<b>Expenses</b>			
Operating expenses	2.30	13,092.21	11,334.23
Employee benefits expense	2.31	13,347.85	14,243.86
Finance costs	2.32	2,039.98	4,437.10
Depreciation and amortisation expense	2.1 & 2.2	7,483.02	7,865.55
Other expenses	2.33	3,095.36	2,406.19
<b>Total expenses</b>		<b>39,058.42</b>	<b>40,286.93</b>
<b>Profit before tax</b>		<b>24,406.94</b>	<b>13,542.97</b>
<b>Tax expense</b>			
Current tax	2.34	600.00	1,490.00
Deferred tax		361.56	(21.26)
Taxes on earlier years		(141.90)	-
<b>Total tax expense</b>		<b>819.66</b>	<b>1,468.74</b>
<b>Profit for the year</b>		<b>23,587.28</b>	<b>12,074.23</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of defined benefit liability		(40.96)	(0.48)
Tax relating to items that will not be reclassified to profit or loss		10.31	0.19
<b>Total comprehensive income for the year</b>		<b>23,556.63</b>	<b>12,073.94</b>
<b>Earning per equity share of ₹ 10 each</b>			
Basic and diluted	2.39	108.96	55.77
Corporate information and significant accounting policies	1		

See accompanying notes forming part of the standalone financial statements

**In terms of our report attached****For S.B.Billimoria & Co. LLP***Chartered Accountants*

(Firm's Registration Number : AAY-7397)

**Ganesh Balakrishnan**

Partner

Place: Hyderabad

Date: May 29, 2023

**For and on behalf of the Board of Directors****Ocean Sparkle Limited**

CIN:U05005TG1995PLC021217

**Hiren Shah**

Managing Director

DIN : 00275758

**Avinash Patel**

Chief Financial Officer

Place: Hyderabad

Date: May 29, 2023

**Unmesh Abhyankar**

Director

DIN : 03040812

**Sandeep Patel**

Company Secretary

Membership No. A45542

**Ocean Sparkle Limited**
**Statement of cash flow for the year ended March 31, 2023**

(All amounts in Indian Rupees in lakhs, except share data and unless otherwise stated)

	For the period ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before tax	24,406.94	13,542.97
<b>Adjustments for:</b>		
Depreciation and amortisation expense	7,483.02	7,865.55
Finance costs	2,039.98	4,437.10
Interest income	(120.44)	(471.35)
Interest on income-tax refund	(207.73)	
Other income - Guarantee commission	(80.00)	(207.93)
Profit on sale of property, plant and equipment (net)	(1,534.33)	-
Loss on sale / disposal of property, plant and equipment (net)	-	18.58
Provision for credit impaired trade receivables	-	34.20
Provision for diminution in value of investments	-	16.84
Credit impaired trade receivables and advances written-off	61.49	199.96
Gain on fair value of the investments	-	(63.58)
Profit on redemption of current investments	(6.03)	(18.36)
Dividend received from subsidiary	(7,772.72)	-
Gain on mark to market forward contracts	-	(7.19)
Unrealised loss on foreign exchange fluctuations	-	63.04
<b>Operating profit before working capital changes</b>	<b>24,270.18</b>	<b>25,409.83</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	684.93	(746.52)
Inventories	(44.86)	98.06
Other financial assets	(234.18)	2,406.45
Other current and non-current assets	1,055.78	1.74
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,877.03	(697.36)
Provisions	(306.66)	41.71
Other liabilities	(798.73)	134.80
<b>Cash generated from operating activities</b>	<b>27,503.49</b>	<b>26,648.71</b>
Income taxes paid (net)	789.94	(1,413.65)
<b>Net cash flow from operating activities</b>	<b>28,293.43</b>	<b>25,235.06</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (Including capital work-in-progress and intangible)	(14,714.93)	(5,487.00)
Proceeds from sale of property, plant and equipment	8,138.45	705.50
Fixed deposits (placed) / matured	3,430.47	(2,082.13)
Investment in subsidiary	(2,505.38)	(16.84)
Inter-corporate loan given to subsidiary	920.00	(1,000.00)
Repayment of Inter-corporate loan from subsidiary	-	80.00
Purchase (redemption) of current investments	2,099.24	(1,322.45)
Dividend income	7,772.72	-
Proceeds from redemption of current investments	6.03	1,322.51
Interest received	127.91	495.46
<b>Net cash flow from / (used in) investing activities</b>	<b>5,274.51</b>	<b>(7,304.95)</b>
<b>Cash flows from financing activities</b>		
Proceeds from non-current borrowings	-	2,800.00
Repayment of non-current borrowings	(34,635.52)	(14,652.13)
Proceeds from/ (Repayment of) current borrowings (net)	(2,055.20)	-
Payment of lease liability	(31.48)	(30.37)
Interest paid	(1,956.11)	(4,624.47)
Dividend paid including dividend tax	(7,793.38)	(3,084.88)
<b>Net cash used in financing activities</b>	<b>(46,471.69)</b>	<b>(19,591.85)</b>
Net decrease in cash and cash equivalents	(12,903.75)	(1,661.74)
Cash and cash equivalents at the beginning of the year	13,147.35	14,809.09
<b>Cash and cash equivalents at the end of the year (Refer Note 2.12)</b>	<b>243.60</b>	<b>13,147.35</b>

**Ocean Sparkle Limited****Statement of cash flow for the year ended March 31, 2023**

(All amounts in Indian Rupees in lakhs, except share data and unless otherwise stated)

**Notes:****1. Reconciliation of liabilities from financing activities**

Particulars	As at March 31, 2022	Additions	Repayment made	Fair value changes & Other Adjustments	As at March 31, 2023
Long-term borrowings	34,443.32	-	(29,281.15)	(5,162.17)	-
Short-term borrowings(including current portion of long term borrowings	11,005.20	55,068.00	(57,123.20)	-	8,950.00
Lease Liabilities	72.86	(10.08)	(38.16)	-	24.62
	<b>45,521.38</b>	<b>55,057.92</b>	<b>(86,442.51)</b>	<b>(5,162.17)</b>	<b>8,974.62</b>

**Reconciliation of liabilities from financing activities**

Particulars	As at March 31, 2021	Additions	Repayment made	Fair value changes & Other Adjustments	As at March 31, 2022
Long-term borrowings	42,824.16	2,800.00	(11,243.87)	63.03	34,443.32
Short-term borrowings(including current portion of long term borrowings	14,413.46	-	(3,408.26)	-	11,005.20
Lease Liabilities	87.19	16.04	(30.37)	-	72.86
	<b>57,324.81</b>	<b>2,816.04</b>	<b>(14,682.50)</b>	<b>63.03</b>	<b>45,521.38</b>

2. The Statement of Cash Flows has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows. Cash and cash equivalents in the Statement of Cash Flows comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.

**See accompanying notes forming part of the standalone financial statements**

**In terms of our report attached**

For **S.B.Billimoria & Co. LLP**  
Chartered Accountants  
(Firm's Registration Number : AAY-7397)

For and on behalf of the Board of Directors  
**Ocean Sparkle Limited**  
CIN:U05005TG1995PLC021217

**Ganesh Balakrishnan**  
Partner

**Hiren Shah**  
Managing Director  
DIN : 00275758

**Unmesh Abhyankar**  
Director  
DIN : 03040812

**Avinash Patel**  
Chief Financial Officer

**Sandeep Patel**  
Company Secretary  
Membership No. A45542

Place: Hyderabad  
Date: May 29, 2023

Place: Hyderabad  
Date: May 29, 2023

**Ocean Sparkle Limited****Standalone statement of changes in equity for the year ended March 31, 2023**

(All amounts in Indian Rupees in lakhs, except share data and unless otherwise stated)

**a. Equity share capital**

	No of shares	Amount
<b>Balance as at April 1, 2021</b>	<b>21,648,291</b>	<b>2,164.83</b>
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>21,648,291</b>	<b>2,164.83</b>
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>21,648,291</b>	<b>2,164.83</b>

**b. Other equity**

Particulars	Reserves and Surplus					Total
	Securities premium	General reserve	Tonnage tax reserve	Debenture redemption reserve	Retained earnings	
<b>Balance as at April 1, 2021</b>	<b>15,328.96</b>	<b>2,653.48</b>	<b>2,300.00</b>	<b>728.51</b>	<b>83,093.07</b>	<b>104,104.02</b>
Profit for the year	-	-	-	-	12,074.23	12,074.23
Other comprehensive income	-	-	-	-	(0.29)	(0.29)
Dividends and tax thereon (Refer Note 2.46)	-	-	-	-	(3,084.88)	(3,084.88)
Transfer to tonnage tax reserve	-	-	2,000.00	-	(2,000.00)	-
Transfer from tonnage tax reserve	-	-	(2,300.00)	-	2,300.00	-
<b>Balance as at March 31, 2022</b>	<b>15,328.96</b>	<b>2,653.48</b>	<b>2,000.00</b>	<b>728.51</b>	<b>92,382.13</b>	<b>113,093.08</b>
Profit for the year	-	-	-	-	23,587.28	23,587.28
Other comprehensive income	-	-	-	-	(30.65)	(30.65)
Dividend paid ( Refer Note 2.46)	-	-	-	-	(7,793.38)	(7,793.38)
Transfer to Debenture Redemption Reserve (net)	-	-	-	(513.51)	513.51	-
Transfer to tonnage tax reserve	-	-	3,600.00	-	(3,600.00)	-
Transfer from tonnage tax reserve	-	-	(2,000.00)	-	2,000.00	-
<b>Balance as at March 31, 2023</b>	<b>15,328.96</b>	<b>2,653.48</b>	<b>3,600.00</b>	<b>215.00</b>	<b>107,058.89</b>	<b>128,856.33</b>

See accompanying notes forming part of the standalone financial statements

**In terms of our report attached**For **S.B.Billimoria & Co. LLP**

Chartered Accountants

(Firm's Registration Number : AAY-7397)

For and on behalf of the Board of Directors

**Ocean Sparkle Limited**

CIN:U05005TG1995PLC021217

**Ganesh Balakrishnan**

Partner

**Hiren Shah**

Managing Director

DIN : 00275758

**Unmesh Abhyankar**

Director

DIN : 03040812

**Avinash Patel**

Chief Financial Officer

**Sandeep Patel**

Company Secretary

Membership No. A45542

Place: Hyderabad

Date: May 29, 2023

Place: Hyderabad

Date: May 29, 2023



## **Ocean Sparkle Limited**

### **Notes forming part of the standalone financial statements**

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

#### **1. Corporate information**

Ocean Sparkle Limited ('the Company') was incorporated on 26 July 1995. On 19 August 1996, the Company was converted into public limited company. The Company is engaged in the business of providing comprehensive port operations and management ('O&M') services which inter alia includes provision of technical management of marine crafts, harbour towage service, mooring services, pilotage services, etc. The Company's registered office is located at 8-3-975, Plot No.128 Srinagar Colony Hyderabad, 500 073, Telangana, India.

##### **1.1 Basis of Preparation**

###### **A. Statement of compliance**

These financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable. The Company has consistently applied accounting policy to all periods.

###### **B. Basis of preparation and presentation**

The financial statements of the Company have been prepared on historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36 value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

###### **C. Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions about the carrying amount of assets and liabilities, disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses for the periods presented. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates that have been made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

###### **D. 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.

## Ocean Sparkle Limited

### Notes forming part of the standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

- Held primarily for the purpose of trading.
- 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 the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### (b) Useful lives of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

#### (c) Fair value measurement of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

### E. Foreign currency transactions and translations

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit or loss.

### F. Financial instruments

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

#### Financial assets:

##### Initial recognition and measurement

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

## **Ocean Sparkle Limited**

### **Notes forming part of the standalone financial statements for the year ended March 31, 2022**

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

#### **a. Subsequent measurement of financial assets:**

##### **i. Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

##### **ii. Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order 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.

##### **iii. Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are 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.

##### **iv. Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

##### **v. Investment in subsidiaries**

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

#### **Financial liabilities:**

##### **a. 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 designated as hedging instruments in an effective hedge, 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, financial guarantee contracts and derivative financial instruments.

##### **b. Subsequent measurement of financial liabilities:**

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### **c. Derivative financial instruments and hedge accounting**

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequently to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

##### **i. Financial assets or financial liabilities, at fair value through profit or loss**

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through statement of profit and loss.

## **Ocean Sparkle Limited**

### **Notes forming part of the standalone financial statements for the year ended March 31, 2022**

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in statement of profit and loss.

#### **ii. Cash flow hedge accounting**

Where a derivative is designated as a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised directly in other comprehensive income and presented in the hedging reserve in equity. The ineffective portion of changes in the fair values of the derivative is recognised immediately in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

#### **G. Property, plant and equipment**

##### **(i) Recognition and measurement**

###### **Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the statement of profit and loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

###### **Capital work-in-progress**

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

##### **A. Subsequent expenditure**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

##### **B. Depreciation**

Fixed assets are depreciated using written down value method, at the rates arrived based on the useful life as specified in Schedule II to the Companies Act, 2013, except in case of ships and vessels using straight line method, in whose case the life of the assets has been estimated at 14 years to 35 years based on the internal technical assessment of the Management, taking into account the nature of assets, the estimated usage of asset, the operating condition of the asset etc. Dry docking cost of ships and vessels is identified as a separate component and is depreciated over the period of 2 years and 6 months.

## **Ocean Sparkle Limited**

### **Notes forming part of the standalone financial statements for the year ended March 31, 2022**

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

Depreciation is calculated on pro-rata basis from the date on which the assets are ready for use or till the date the assets are sold or disposed off. Assets costing less than ₹ 5,000, based on internal assessment and materiality, the management has estimated that the same shall be depreciated in the year of purchase.

#### **C. Intangible assets and amortisation**

##### **(i) Computer software**

Computer software are recorded at the consideration paid for acquisition. Computer software is amortised over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

##### **(ii) Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

##### **(iii) Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss. Computer software is amortised over their estimated useful lives not exceeding 3 years.

#### **H. Inventories**

Inventories comprise, stores and spares and fuel, which are valued at cost.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, first-in-first-out (FIFO) method is used.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimate costs of completion and selling expenses.

The comparison of cost and net realisable value is made on item-by-item basis.

#### **I. Impairment of assets**

##### **i. Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company measures loss allowances 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).

##### **i. Impairment of financial instruments (continued)**

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expect to receive).

## **Ocean Sparkle Limited**

### **Notes forming part of the standalone financial statements for the year ended March 31, 2022**

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### **ii. Impairment of non-financial assets**

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

## **J. Employee benefits**

#### **i) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### **ii) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### **iii) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to

## **Ocean Sparkle Limited**

### **Notes forming part of the standalone financial statements for the year ended March 31, 2022**

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements 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 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 profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### **iv) Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

#### **K. Government grant**

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

#### **L. Revenue recognition**

##### **i) Rendering of services**

Income from port management services and other marine services rendered is recognised in accordance with the terms of the agreement with the customer as and when the related services are performed. In case of contracts, where revenue is recognised on the basis of surveys of work performed, revenue is measured by applying contractual rates, or the minimum recoverable rates expected, to the actual quantities dredged or the related works performed. Revenue is adjusted subsequently based on the final customer approval if rates and/ or quantities dredged approved are different from those originally used.

##### **ii) Other income**

Export incentives from Service Exports from India Scheme ('SEIS') is recognised in the standalone statement of profit and loss account when the right to receive credit as per the terms of the entitlement is established in respect of exports made.

Interest on bank deposits is recognised on the effective interest rate (EIR method) using the underlying interest rates. Dividend income is recognised when the unconditional right to receive the payment is established.

#### **M. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### **Company as a lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the

## **Ocean Sparkle Limited**

### **Notes forming part of the standalone financial statements for the year ended March 31, 2022**

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **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.

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.

## **N. Income-tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### **i) Current tax**

Current tax comprises the expected 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 previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively 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 basis or simultaneously.

### **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. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:



## **Ocean Sparkle Limited**

### **Notes forming part of the standalone financial statements for the year ended March 31, 2022**

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting 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 is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### **O. Segment reporting**

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Port management and other marine services has been considered as the only reportable segment. Hence, no separate financial disclosure have been provided for the segment reporting.

#### **P. Earnings per share**

The basic earnings per share (“EPS”) for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares.

#### **Q. Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

##### **(i) Onerous contracts**

A contract is considered to be 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 present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

##### **(ii) Contingencies**

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

## **Ocean Sparkle Limited**

### **Notes forming part of the standalone financial statements for the year ended March 31, 2022**

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

#### **R. Contingent liabilities and contingent assets**

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.

Contingent assets has to be recognised in the standalone financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

#### **S. Borrowing cost**

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

#### **T. 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 and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

#### **U. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **V. Business combinations**

##### **(i) Business combinations (other than common control business combinations):**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combinations, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Company acquired a business, it assessed the financials assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of entities comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Company, and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the statement of profit and loss or other comprehensive income, as appropriate.

## Ocean Sparkle Limited

### Notes forming part of the standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ Lakhs except share data and where otherwise stated)

#### (ii) Common control business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the preceding period in the financial statements or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

In case of business combinations taking under scheme of amalgamation approved by Courts in India, the accounting treatment as specified in the court order is followed for recording such business combination.

#### W. New standards and interpretations

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

- (a) Ind AS 16 – Proceeds before intended use The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.
- (b) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.
- (c) Ind AS 109 – Annual improvements to Ind AS (2021): The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.
- (d) Ind AS 116 – Annual Improvements to Ind AS (2021): The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ocean Sparkle Limited**

**Notes forming part of the standalone financial statements**

(All amounts in Indian Rupees in lakhs, except share data and unless otherwise stated)

**2.1 Property, plant and equipment and other intangible assets**

Particulars	Freehold land	Buildings	Ships and vessels	Plant and equipment	Office equipment	Computers	Furniture and fixtures	Vehicles	Total of property, plant and equipment	Software	Total of other intangible assets
<b>Gross carrying amount at cost</b>											
Balance as at April 1, 2021	880.29	1,230.36	161,029.60	752.16	209.58	132.48	54.87	415.15	164,704.49	102.08	102.08
Additions	-	0.94	5,322.48	19.06	40.55	15.49	4.53	38.31	5,441.36	15.10	15.10
Disposals / Written-off	-	(0.42)	(3,941.42)	(41.29)	(58.58)	(16.00)	(13.85)	(42.66)	(4,114.22)	(0.17)	(0.17)
Transfers inter-se	-	(173.46)	-	46.50	71.63	-	55.33	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>880.29</b>	<b>1,057.42</b>	<b>162,410.66</b>	<b>776.43</b>	<b>263.18</b>	<b>131.97</b>	<b>100.88</b>	<b>410.80</b>	<b>166,031.63</b>	<b>117.01</b>	<b>117.01</b>
<b>Balance as at April 1, 2022</b>	<b>880.29</b>	<b>1,057.42</b>	<b>162,410.66</b>	<b>776.43</b>	<b>263.18</b>	<b>131.97</b>	<b>100.88</b>	<b>410.80</b>	166,031.63	<b>117.01</b>	<b>117.01</b>
Additions	-	-	12,779.56	55.95	37.56	4.54	-	61.06	12,938.67	0.78	0.78
Disposals / Written-off	-	-	(15,658.23)	(480.94)	(22.63)	(6.28)	(6.15)	(219.39)	(16,393.62)	(3.51)	(3.51)
Transfers inter-se	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>880.29</b>	<b>1,057.42</b>	<b>159,531.99</b>	<b>351.44</b>	<b>278.11</b>	<b>130.23</b>	<b>94.73</b>	<b>252.47</b>	<b>162,576.68</b>	<b>114.28</b>	<b>114.28</b>
<b>Accumulated depreciation and amortisation</b>											
Balance as at April 1, 2021	-	117.50	43,393.72	367.19	140.01	92.42	37.49	284.10	44,432.41	78.94	<b>78.94</b>
Depreciation and amortisation expense	-	54.59	7,481.81	86.30	88.54	27.32	38.75	46.51	7,823.82	9.66	9.66
Disposals / Written-off	-	(0.40)	(3,250.89)	(29.92)	(48.63)	(12.18)	(11.35)	(36.77)	(3,390.14)	(0.17)	(0.17)
Transfers inter-se	-	(21.45)	-	5.75	8.86	-	6.84	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>150.24</b>	<b>47,624.64</b>	<b>429.32</b>	<b>188.78</b>	<b>107.56</b>	<b>71.73</b>	<b>293.84</b>	<b>48,866.09</b>	<b>88.43</b>	<b>88.43</b>
Depreciation and amortisation expense	-	41.79	7,256.02	52.29	33.96	<b>12.28</b>	6.12	34.18	7,436.64	13.77	13.77
Disposals / Written-off	-	-	(9,260.73)	(326.15)	(17.81)	(5.82)	(5.05)	(173.93)	(9,789.50)	(3.07)	(3.07)
Transfers inter-se	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>192.03</b>	<b>45,619.93</b>	<b>155.46</b>	<b>204.93</b>	<b>114.02</b>	<b>72.80</b>	<b>154.09</b>	<b>46,513.23</b>	<b>99.13</b>	<b>99.13</b>
<b>Carrying amounts:</b>											
<b>As at March 31, 2023</b>	<b>880.29</b>	<b>865.39</b>	<b>113,912.06</b>	<b>195.98</b>	<b>73.18</b>	<b>16.21</b>	<b>21.93</b>	<b>98.38</b>	<b>116,063.45</b>	<b>15.15</b>	<b>15.15</b>
<b>As at March 31, 2022</b>	<b>880.29</b>	<b>907.18</b>	<b>114,786.02</b>	<b>347.11</b>	<b>74.40</b>	<b>24.41</b>	<b>29.15</b>	<b>116.96</b>	<b>117,165.54</b>	<b>28.58</b>	<b>28.58</b>

Note: Refer note 2.18 for plant and equipment pledged

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts in Indian Rupees in lakhs, except share data and unless otherwise stated)

**2.1 (a) Capital work-in-progress****Ageing for capital work-in-progress as at March 31, 2023**

Particulars	Amount of capital work-in-progress for the period				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	119.04	-	-	-	119.04
Projects temporarily suspended	-	-	-	55.93	55.93
<b>Total</b>	<b>119.04</b>	<b>-</b>	<b>-</b>	<b>55.93</b>	<b>174.97</b>

**Ageing for capital work-in-progress as at March 31, 2022**

Particulars	Amount of capital work-in-progress for the period				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	30.54	10.84	1.15	43.96	86.49
<b>Total</b>	<b>30.54</b>	<b>10.84</b>	<b>1.15</b>	<b>43.96</b>	<b>86.49</b>

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

**2.2 Right-of-use of assets**

Particulars	Total
<b>Gross carrying amount</b>	
Balance as at April 1, 2021	139.84
Additions	16.04
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>155.88</b>
Balance as at April 1, 2022	155.88
Additions	14.15
Disposals	(100.75)
<b>Balance as at March 31, 2023</b>	<b>69.28</b>
<b>Accumulated depreciation</b>	
Balance as at April 1, 2021	58.26
Depreciation expense	32.07
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>90.33</b>
Depreciation expense	32.61
Disposals	(76.52)
<b>Balance as at March 31, 2023</b>	<b>46.42</b>
<b>Net block:</b>	
<b>As at March 31, 2023</b>	<b>22.86</b>
<b>As at March 31, 2022</b>	<b>65.55</b>

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.3 Investments**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current investments</b>		
<b>(a) Investments in equity shares (fully paid-up) - Trade (Unquoted) - at cost</b>		
<b>Investment in subsidiary companies:</b>		
Sea Sparkle Harbour Services Limited [22,989,690 (March 31, 2022: 12,779,057) equity shares of ₹ 10 each fully paid up]	4,362.10	1,856.72
Sparkle Overseas Pte Ltd, Singapore [2,271,286 (March 31, 2022: 2,271,286) equity shares of SGD 1 each fully paid up]	769.46	769.46
Sparkle Port Services Limited [51,500,000 (March 31, 2022: 51,500,000) equity shares of ₹ 10 each fully paid up]	5,762.72	5,762.72
Sparkle Terminal and Towage Services Limited [45,800,000 (March 31, 2022: 45,800,000) equity shares of ₹ 10 each fully paid up]	5,380.44	5,380.44
Sparkle Marine Services Limited - Share Application Money* [SAR 205,610 (March 31, 2022 : SAR 120,610) in equity shares]	40.73	40.73
<b>(b) Investment in government securities - Non trade (Unquoted) - at amortised cost</b>		
National saving certificates	2.00	2.00
<b>Total investments</b>	<b>16,317.45</b>	<b>13,812.07</b>
Less: Provision for diminution in the value of investment	40.73	40.73
	<b>16,276.72</b>	<b>13,771.34</b>
Aggregate book value of unquoted investments	16,317.45	13,812.07

\* Allotment of shares against the application money is awaited as at March 31, 2023

**Ocean Sparkle Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.4 Trade receivables**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
- Unsecured, considered good*	-	0.47
Trade receivables which have significant increase in credit risk	-	-
- Credit impaired	-	-
	-	<b>0.47</b>
Allowances for credit impaired	-	-
	-	<b>0.47</b>

\*pertains to retention money payable at the end of the contract as per contract terms.

Ageing of trade receivables

As at March 31, 2023

Ageing of trade receivables	Outstanding for following periods from due date of receipts						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
<b>Undisputed trade receivables</b>							
Considered good		-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Allowances for credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-

As at March 31, 2022

Ageing of trade receivables	Outstanding for following periods from due date of receipts						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
<b>Undisputed trade receivables</b>							
Considered good	0.47	-	-	-	-	-	<b>0.47</b>
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables	-	-	-	-	-	-	-
	<b>0.47</b>	-	-	-	-	-	<b>0.47</b>
Allowances for credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>0.47</b>	-	-	-	-	-	<b>0.47</b>

**2.5 Loans**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>(Unsecured, considered good)</b>		
<b>Non-current</b>		
Inter-corporate loan to subsidiary (Refer Note 2.42)	-	760.00
	-	<b>760.00</b>
<b>Current</b>		
Inter-corporate loan to subsidiary (Refer Note 2.42)	-	160.00
	-	<b>160.00</b>

Note: Inter-Corporate Loan was given to a subsidiary during the previous year for the purpose of repayment of Term Loan held by the subsidiary. Maximum amount outstanding during the year was ₹ nil lakhs (2021-22: ₹ 920.00 Lakhs) and amount outstanding as at March 31, 2023 is ₹ nil lakhs (March 31, 2022: Rs.8%) at the interest rate of 8% per annum, the same was repaid during the year.

**2.6 Other financial assets**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Non-current</b>		
<b>(Unsecured, considered good)</b>		
Deposits with others	46.56	48.60
Deposits with government agencies and port trusts	165.19	165.24
Bank deposits with original maturity more than 12 months*	23.20	559.27
Interest accrued but not due on fixed deposits	1.58	14.27
	<b>236.53</b>	<b>787.38</b>

\*Includes ₹ 23.20 lakhs (March 31, 2022: ₹ 485.31 lakhs) held as margin money deposits.

**2.7 Income-tax assets / liabilities**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Advance income tax [net of provision for tax ₹ 8,262.15 (March 31, 2022: ₹ 9,445.26)]	1,713.30	2,904.80
Provision for income tax [net of advance income tax ₹ 458.75 (March 31, 2022: ₹ 1,292.61)]	66.68	197.39
	<b>1,646.62</b>	<b>2,707.41</b>

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.8 Other non-current assets**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Capital advances	1,687.00	-
Prepaid expenses	93.93	76.29
Fuel reimbursement	18.07	203.73
Balances with government agencies	26.04	26.04
	<b>1,825.04</b>	<b>306.06</b>

**2.9 Inventories**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>(Values at cost)</b>		
Stock on hand		
Fuel	751.53	680.38
Stores and spares	85.65	111.94
	<b>837.18</b>	<b>792.32</b>

**2.10 Investments**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Current</b>		
Investments in Mutual funds - unquoted at fair value through statement of profit and loss		
ICICI Prudential Liquid Fund – Short term fund– Growth - Nil units of ₹ Nil each (March 31, 2022: 444,307.931 units of ₹ 47.7874 each )	-	212.32
Aditya Birla Sun Life Mutual Fund – Short term fund -Growth - Nil units ₹ Nil each (March 31, 2022: 1,393,384.965 units ₹ 38.2855 each )	-	533.46
Kotak Corporate Bond Fund Standard Growth- Nil units of ₹ Nil each (March 31, 2022: 10,404.47 units of ₹ 3033.8326)	-	315.65
SBI Arbitrage Opportunities Fund-Regular Plan -Growth - Nil units of ₹ Nil each (March 31, 2021: 38,04,513.22 units of ₹ 27.2784 each)	-	1,037.81
	-	<b>2,099.24</b>
Aggregate carrying value of unquoted investments	-	<b>2,099.24</b>

**2.11 Trade receivables**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Current</b>		
Unsecured, considered good	7,480.38	8,226.33
Credit impaired	1,418.21	1,554.10
	<b>8,898.59</b>	<b>9,780.43</b>
Allowances for credit impaired	(1,418.21)	(1,554.10)
	<b>(1,418.21)</b>	<b>(1,554.10)</b>
	<b>7,480.38</b>	<b>8,226.33</b>

Notes:

(i) For trade receivables from related parties Refer Note 2.42

(ii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in Note 2.44.

(iii) The credit period on sale of service generally ranges between 30-60 days Trade receivables are unsecured and are delivered from revenue earned from charter hire services. No interest is charged on the outstanding balance, regardless of the age of the balance. There are 5 (five) (March 31, 2022: 6 (six)) customers who represent each more than 5% of the total balance of trade receivables amounting to ₹ 2878.89 lakhs (March 31, 2022: ₹ 3,775.12 lakhs). The risk of non payment from these customers is considered low.



**Ocean Sparke Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

(iv) Ageing of trade receivables:

**As at March 31, 2023**

Ageing of trade receivables	Outstanding for following periods from due date of receipts						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
<b>Undisputed trade receivables</b>							
Considered good	7,161.57	54.17	249.18	15.46	-	-	<b>7,480.38</b>
Credit impaired	-	6.55	35.79	40.28	499.18	836.41	<b>1,418.21</b>
Disputed trade receivables	-	-	-	-	-	-	-
	<b>7,161.57</b>	<b>60.72</b>	<b>284.97</b>	<b>55.74</b>	<b>499.18</b>	<b>836.41</b>	<b>8,898.59</b>

**As at March 31, 2022**

Ageing of trade receivables	Outstanding for following periods from due date of receipts						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
<b>Undisputed trade receivables</b>							
Considered good	6,004.78	1,173.20	1,048.35	-	-	-	<b>8,226.33</b>
Credit impaired	-	72.41	136.01	135.29	159.49	1,050.90	<b>1,554.10</b>
Disputed trade receivables	-	-	-	-	-	-	-
	<b>6,004.78</b>	<b>1,245.61</b>	<b>1,184.36</b>	<b>135.29</b>	<b>159.49</b>	<b>1,050.90</b>	<b>9,780.43</b>

(v) Movement in allowance for credit impaired trade receivables:

	As at March 31, 2023	As at March 31, 2022
Opening balance	1,554.10	1,519.90
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss (net)	(135.89)	34.20
Provision released (if any)	-	-
Balance at the end of the year	<b>1,418.21</b>	<b>1,554.10</b>

**2.12 Cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	1.79	3.89
Balances with banks		
in current accounts	229.24	2,061.21
in fixed deposit accounts (with original maturity of 3 months or less)	12.57	11,082.25
	<b>243.60</b>	<b>13,147.35</b>

**2.13 Bank balances other than cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
In deposit accounts		
Original maturity more than 3 months and less than 12 months	76.63	3,055.39
Margin money deposits	1,312.51	1,228.15
	<b>1,389.14</b>	<b>4,283.54</b>

**2.14 Other financial assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Security deposits	10.00	-
Earnest money deposits	165.39	5.26
Derivative asset (net)	-	7.19
Contract assets (unbilled revenue)	532.43	409.83
Interest accrued but not due on fixed deposits	59.27	54.05
Insurance claims receivable	-	35.00
	<b>767.09</b>	<b>511.33</b>

**2.15 Other current assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>		
Advance to suppliers	425.00	153.93
Balances with Government authorities	904.48	1,218.16
Less: Provisions	(540.00)	-
Prepaid expenses	133.98	439.13
	<b>923.46</b>	<b>1,811.22</b>

**Ocean Sparkle Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.16 Equity share capital**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised</b>		
51,500,000 (March 31, 2022: 51,500,000) equity shares of ₹10 each	5,150.00	5,150.00
1,468,050 (March 31, 2022: 1,468,050) 0.00001% fully and compulsorily convertible cumulative participating preference shares of ₹ 340.60 each	5,000.18	5,000.18
	<b>10,150.18</b>	<b>10,150.18</b>
<b>Issued, subscribed and paid-up capital</b>		
21,648,291 (March 31, 2022: 21,648,291) equity shares of ₹ 10 each, fully paid up	2,164.83	2,164.83
	<b>2,164.83</b>	<b>2,164.83</b>

**a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year:**

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	21,648,291	2,164.83	21,648,291	2,164.83
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>21,648,291</b>	<b>2,164.83</b>	<b>21,648,291</b>	<b>2,164.83</b>

**b. Particulars of shareholders holding more than 5% shares of a class of share (Refer Note 2.50):**

**Equity shares:**

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	%	Number of shares	%	Number of shares
The Adani Harbour Services Limited	74.20	16,064,033		
Savi Jana Sea Foods Private Limited	24.31	5,263,463	24.31	5,263,463
Marina (III) Singapore Pte. Ltd.	-	-	18.52	4,008,217
Infrastructure India Holdings Fund LLC	-	-	16.71	3,617,478
Park Equity Holdings Limited	-	-	12.41	2,686,500
Dr. Nagarjuna R Ponugoti	-	-	8.31	1,799,262
International Finance Corporation	-	-	5.68	1,230,505

**c. Rights, preferences and restrictions attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. 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, if any. The distribution will be in proportion to the number of equity shares held by equity shareholders.

**d. Details of Promoter's shareholding:**

Particulars	March 31, 2023		March 31, 2022		% change in the year
	No. of shares	% of total shares	No. of shares	% of total shares	
The Adani Harbour Services Limited	16,064,033	74.20%	-	-	100.00%
P. Jairaj Kumar	-	0.00%	602,510	2.78%	-100.00%
Sanjeev Dhawan	-	0.00%	579,768	2.68%	-100.00%
A K Sawhney	-	0.00%	553,539	2.56%	-100.00%
R Virender Prasad	-	0.00%	512,604	2.37%	-100.00%

Particulars	March 31, 2022		March 31, 2021		% change in the year
	No. of shares	% of total shares	No. of shares	% of total shares	
P. Jairaj Kumar	602,510	2.78%	602,510	2.78%	-
Sanjeev Dhawan	579,768	2.68%	579,768	2.68%	-
A K Sawhney	553,539	2.56%	553,539	2.56%	-
R Virender Prasad	512,604	2.37%	512,604	2.37%	-

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.17 Other equity**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Securities premium	15,328.96	15,328.96
Tonnage tax reserve	3,600.00	2,000.00
General reserve	2,653.48	2,653.48
Debenture redemption reserve	215.00	728.51
Retained earnings	107,058.90	92,382.14
	<b>128,856.34</b>	<b>113,093.09</b>
<b>Securities premium - A</b>	<b>15,328.96</b>	<b>15,328.96</b>
<b>Tonnage tax reserve as per Section 115VT of the Income-tax Act, 1961</b>		
Balance at beginning of year	2,000.00	2,300.00
Add: Transferred from surplus in the standalone statement of profit and loss	3,600.00	2,000.00
Less: Transferred to surplus in the standalone statement of profit and loss	(2,000.00)	(2,300.00)
<b>Balance at end of the year - B</b>	<b>3,600.00</b>	<b>2,000.00</b>
<b>General reserve - C</b>	<b>2,653.48</b>	<b>2,653.48</b>
<b>Debenture redemption reserve</b>		
Balance at beginning of year	728.51	728.51
Less: Utilized on redemption	(728.51)	-
Add: Created on issue of debentures	215.00	-
<b>Balance at end of the year - D</b>	<b>215.00</b>	<b>728.51</b>
<b>Retained earnings</b>		
	92,382.14	83,093.08
Add: Net profit for the year	23,587.28	12,074.23
<b>Items of other comprehensive income directly recognised in retained earnings</b>		
- Remeasurement of post employment benefit obligations, net of tax	(30.65)	(0.29)
<b>Amount available for appropriation</b>	<b>115,938.77</b>	<b>95,167.02</b>
Appropriations		
Interim dividend on equity shares [amount per share ₹ 36.00 (March 31, 2022 : ₹ 14.25)] (Refer Note 2.46)	(7,793.38)	(3,084.88)
Transfer from debenture redemption reserve	728.51	-
Transfer to debenture redemption reserve	(215.00)	-
Transfer to tonnage tax reserve	(3,600.00)	(2,000.00)
Transfer from tonnage tax reserve	2,000.00	2,300.00
<b>Closing balance - E</b>	<b>107,058.90</b>	<b>92,382.14</b>
<b>Total - (A+B+C+D+E)</b>	<b>128,856.34</b>	<b>113,093.09</b>

**Nature and purpose of other equity:****Securities premium**

Securities premium comprises of premium on issue of shares. The reserve is utilised in accordance with specific provision of the Companies Act, 2013.

**Tonnage tax reserve**

In accordance with the provisions of Section 115VT of the Income-tax Act, 1961, a tonnage tax company may transfer a sum in excess of twenty per cent of the book profit and such excess sum transferred shall also be utilised in the manner laid down under the Act in respect of operations relating to tonnage tax scheme.

**General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**Debenture redemption reserve**

The Company has issued Non-convertible debentures. As per the provisions of Section 71(4) of the Act and Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company is required to create debenture redemption reserve out of the profits of the Company. Vide notification no G.S.R.574 (E) dated 16 August 2019 the provision related to maintenance of debenture redemption reserve were revised to maintain a balance of 10%. However, management has opted to retain the same balance in DRR as created in earlier years which is above 10% of the outstanding debentures.

**Retained earnings**

Retained earnings mainly represent all current and prior year profits as disclosed in the standalone statement of profit and loss and other comprehensive income less dividend distribution tax, tonnage tax reserve, debenture redemption reserve and transfers to general reserve.

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.18.1 Borrowings**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Non-current borrowings</b>		
<b>Secured</b>		
Term loans		
- From banks (Refer Note 1 and 2 below)	-	37,421.98
- From others (Refer Note 1 and 3 below)	-	2,261.00
Foreign currency loans		
- From others (Refer Note 1 and 4 below)	-	1,758.11
Non-convertible debentures		
- 8.50%, Nil (March 31, 2022: 8.50%, 750) Non-convertible debentures of ₹ nil each (March 31, 2022: ₹ 1,000,000) (Refer Note 6 below)	-	3,996.73
Vehicle loan from bank (Refer Note 5 below)	-	10.70
	-	45,448.52
Less: Current maturities of long-term borrowings	-	11,005.20
	-	34,443.32
<b>Unsecured Non convertible Debentures:</b>		
7.50% Non Convertible Debentures of Rs.100 Each(March 31, 2022: ₹ Nil) (Refer Note 8 below)	2,150.00	-
Unsecured Loan from Related Party ( Refer Note 2.42)	6,800.00	-
- Current maturities of long-term borrowings	-	11,005.20
	8,950.00	11,005.20

**Notes:**

1. Term loans and foreign currency loans are secured by way of mortgage of tug boats, dredgers, barges, current assets and certain receivables.

2. Terms of repayment for secured loan from banks are given below:

(i) Term loans taken from State Bank of India amounting to ₹ Nil lakhs (March 31, 2022: ₹ 17,953.64 lakhs) secured by mortgage of the marine crafts purchased. The loans are payable in quarterly installment of ₹ nil lakhs (March 31, 2022: ₹ 686.26 lakhs) each. The interest rate is as per MCLR plus spread if any, payable on monthly during the year ranges from nil % p.a. (March 31, 2022: 7.10% to 8.57% p.a). The entire loan has been prepaid in current year and the relevant charges has been released.

(ii) Term loans taken from HDFC Bank Limited amounting to ₹ nil lakhs (March 31, 2022: ₹ 16,342.53 lakhs) secured by mortgage of the marine crafts purchased. The loans are payable in quarterly installment of ₹ nil lakhs (March 31, 2022: ₹ 579.24 lakhs) each. The interest rate is as agreed mutually, payable on monthly during the year ranges from nil% p.a. (March 31, 2022: 7.60% to 9.35% p.a). The entire loan has been prepaid in current year and the relevant charges has been released.

(iii) Term loans taken from Axis Bank Limited amounting to ₹ Nil lakhs (March 31, 2022: ₹ 3,291.74 lakhs) secured by mortgage of the marine crafts purchased. The loans are payable in quarterly installment of ₹ nil lakhs (March 31, 2022: ₹ 292.67 lakhs) each. The interest rate is as per Base Rate/1 year MCLR plus spread if any, payable on monthly during the year ranges from nil % p.a. (March 31, 2022: 7.45% to 9.10% p.a). The entire loan has been prepaid in current year and the relevant charges has been released.

3. Terms of repayment for secured loan from others are given below:

Term loans taken Asian Development Bank amounting to ₹ nil lakhs (March 31, 2022 : ₹ 2,261.00 lakhs) secured by mortgage of the marine crafts purchased. carries interest rate at ranges from nil % p.a (March 31, 2022 : 9.49% to 9.96% p.a). The loan and interest on loan is to be repaid in half yearly installments. The entire loan has been prepaid in current year and the relevant charges has been released.

4. Foreign currency term loans taken Asian Development Bank from others amounting to ₹ Nil lakhs (March 31, 2022: ₹ 1,781.12 lakhs) secured by way of mortgage of the marine crafts purchased. The carries interest rate at LIBOR plus agreed spread. The interest rate of the loan is Nil% p.a (March 31, 2022: 4.17% p.a). The entire loan has been prepaid in current year and the relevant charges has been released.

5. Vehicle loan taken from HDFC Bank Limited amounting to ₹ nil lakhs (March 31, 2022: ₹ 10.70 lakhs) is secured by way of hypothecation of the vehicle is repayable in equated monthly instalment beginning from the month subsequent to the loan along with an interest of nil % p.a. (March 31, 2022: 10.25% p.a).The entire loan has been prepaid in current year and the relevant charges has been released.

6. a. Non-convertible debentures issued to HDFC Bank Limited amounting to ₹ nil lakhs (March 31, 2022: ₹ 1,000.00 lakhs) secured by way of mortgage of the vessels purchased from the NCD. It carries an interest rate of nil % p.a.( March 31, 2022 : 8.50% p.a) The interest has to be repaid on annual basis.The entire loan has been prepaid in current year and the relevant charges has been released.

b. Non-convertible debentures issued to HDFC Bank Limited amounting to ₹ nil lakhs (March 31, 2022: ₹ 3,000.00 lakhs) secured by way of mortgage of the marine crafts purchased from the proceeds of NCD. It carries an interest rate of nil % p.a. (March 31, 2022 : 8.50% p.a). The interest on the NCD to be payable on annual basis.The entire loan has been prepaid in current year and the relevant charges has been released.

7. Unsecured loan from The Adani Harbour Services Limited of ₹ 6,800 lakhs (March 31, 2022 ₹ nil Lakhs) . The loan is repayable in within 24 months with an interest rate of 7.60% p.a.(March 31, 2022: Nil%)

8. Unsecured non-convertible debentures issued to Savi Jana Sea Foods Private Limited amounting to ₹ 2,150.00 lakhs . It carries an interest rate of 7.50% p.a. The interest on the NCD to be payable on annual basis. The principal and interest is repayable by January 2024.

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.19 Lease liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Lease liabilities (Refer Note 2.40)	8.15	44.89
	<b>8.15</b>	<b>44.89</b>

**2.20 Provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Employee benefits (Refer Note 2.38)		
- Gratuity	14.76	67.87
- Compensated absences	2.50	48.42
	<b>17.26</b>	<b>116.29</b>

**2.21 Deferred tax liabilities (net)**

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liability:		
- Property, plant and equipment	412.37	80.08
- Others	90.03	189.25
	<b>502.40</b>	<b>269.33</b>
Deferred tax asset:		
- On account of provision for doubtful debts	65.75	155.10
- On account of employee provisions	5.96	28.88
-Others	1.06	6.97
	<b>72.77</b>	<b>190.95</b>
	<b>429.63</b>	<b>78.38</b>

**Movement in temporary differences**

Particulars	As at April 1, 2022	Recognised in statement of profit and loss	Recognised in OCI	As at March 31, 2023
Property, plant and equipment and intangible assets	80.08	332.29	-	412.37
Provision for doubtful receivables	(155.10)	89.35	-	(65.75)
Provision for employee benefits	(28.88)	33.23	(10.31)	(5.96)
Others (net)	182.28	(93.31)	-	88.97
	<b>78.38</b>	<b>361.56</b>	<b>(10.31)</b>	<b>429.63</b>

Particulars	As at April 1, 2021	Recognised in statement of profit and loss	Recognised in OCI	As at March 31, 2022
Property, plant and equipment and intangible assets	91.08	(11.00)	-	80.08
Provision for doubtful receivables	(155.22)	0.12	-	(155.10)
Provision for employee benefits	(25.24)	(3.45)	(0.19)	(28.88)
Others (net)	189.21	(6.93)	-	182.28
	<b>99.83</b>	<b>(21.26)</b>	<b>(0.19)</b>	<b>78.38</b>

In accordance with the provisions of Section 115V to Section 115VZC of the Income-tax Act, 1961, the Company is registered under the tonnage tax scheme. Under such scheme, tax is paid based on the tonnage of vessels at prescribed rates. Accordingly, as there are no timing differences, which will reverse in future period, no deferred tax asset/ liability has been created as of the balance sheet date, in respect of operations relating to the tonnage tax scheme.

In respect of the operations which are not eligible under the tonnage tax scheme, pursuant to the provisions of Ind AS 12 – Accounting for Income taxes, the Company has made an assessment of the timing differences originating which would not reverse within the tax holiday period.

The Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income tax for year ended 31 March 2023 and re-measured its Deferred tax liabilities (net) based on the rate prescribed in the said Ordinance.

**2.22 Other non-current liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits from related parties (Refer Note 2.42)	25.83	25.83
Deferred guarantee commission	277.70	357.70
Deferred income	465.22	485.17
	<b>768.75</b>	<b>868.70</b>

**Ocean Sparkle Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.23 Trade payables**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer Note 2.36)	379.58	222.81
Total outstanding dues of other than micro enterprises and small enterprises (Refer Note (i) below)	5,232.36	2,512.10
	<b>5,611.94</b>	<b>2,734.91</b>

Notes:

(i) Trade payables to related parties ₹ 3,614.31 lakhs (March 31, 2022: ₹ 104.00 lakhs ) Refer Note 2.42

(ii) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 2.44

(iii) Ageing of trade payables

**As at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	239.67	139.91	-	-	-	379.58
Others	3,349.82	365.65	30.90	0.11	-	3,746.48
Disputed - MSME and others	-	-	-	-	-	-
	<b>3,589.49</b>	<b>505.56</b>	<b>30.90</b>	<b>0.11</b>	-	<b>4,126.06</b>
Unbilled						1,485.88
<b>Total</b>	<b>3,589.49</b>	<b>505.56</b>	<b>30.90</b>	<b>0.11</b>	-	<b>5,611.94</b>

**As at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	187.87	34.94	-	-	-	222.81
Others	540.38	371.35	30.90	38.38	11.96	992.97
Disputed - MSME and others	-	-	-	-	-	-
	<b>728.25</b>	<b>406.29</b>	<b>30.90</b>	<b>38.38</b>	<b>11.96</b>	<b>1,215.78</b>
Unbilled						1,519.13
<b>Total</b>	<b>728.25</b>	<b>406.29</b>	<b>30.90</b>	<b>38.38</b>	<b>11.96</b>	<b>2,734.91</b>

**2.24 Lease liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Lease liabilities (Refer Note 2.40)	16.47	27.96
	<b>16.47</b>	<b>27.96</b>

**2.25 Other financial liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Interest accrued but not due on borrowings	211.13	319.46
	<b>211.13</b>	<b>319.46</b>

**2.26 Provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Employee benefits (Refer Note 2.38)		
- Gratuity	5.56	153.70
- Compensated absences	0.85	19.38
	<b>6.41</b>	<b>173.08</b>

**2.27 Other current liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Other advances including contract liabilities (advance from customers)	1.07	27.98
Deferred income	19.95	19.95
Deferred guarantee commission	80.00	80.00
Statutory remittances	760.26	1,512.11
	<b>861.28</b>	<b>1,640.04</b>

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.28 Revenue from operations**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Sale of services</b>		
Income from port management services	46,657.23	46,808.89
Income from other operating revenue	6,419.55	5,576.66
Income from other marine services	262.59	240.19
	<b>53,339.37</b>	<b>52,625.74</b>

**2.29 Other income**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Interest on</b>		
Fixed deposits	112.53	422.96
Interest on inter-corporate loans	7.91	48.39
Interest on income tax refund	207.73	-
<b>Others</b>		
Profit on redemption of current investments	6.03	18.36
Dividend received from subsidiary	7,772.72	-
Profit on sale of property, plant and equipment (net)	1,534.33	-
Provision for loss allowance	135.51	-
Guarantee commission	80.00	207.93
Gain on fair value of the investments	-	63.58
Insurance claim	8.60	62.81
Liabilities no longer required written back	208.79	232.97
Miscellaneous income	51.84	147.16
	<b>10,125.99</b>	<b>1,204.16</b>

**2.30 Operating expenses**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Professional charges	698.30	577.46
Power and fuel	3,001.60	3,064.52
Charter hire charges	2,588.69	1,340.46
Consumption of stores and spares	2,167.45	2,414.35
Repairs and maintenance	1,251.81	986.64
Technical management fees	294.24	1,006.20
Insurance	525.78	541.00
Management Fees	1,710.00	-
Others	854.34	1,403.60
	<b>13,092.21</b>	<b>11,334.23</b>

**2.31 Employee benefits expense**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Salaries, wages and bonus	11,400.38	11,935.17
Contribution to provident and other funds (Refer Note 2.38)	431.47	512.58
Staff welfare expenses	1,516.00	1,796.11
	<b>13,347.85</b>	<b>14,243.86</b>

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.32 Finance costs**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Interest on borrowings</b>		
- Banks	966.64	3,875.13
- Related parties	772.36	-
Interest expense on working capital and short term loans	-	0.02
Interest expense on lease liability	5.89	7.75
Other borrowing costs	295.09	554.20
	<b>2,039.98</b>	<b>4,437.10</b>

**2.33 Other expenses**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Travelling and conveyance	348.56	364.63
Legal and professional fees	757.46	177.63
Vehicle hire charges	185.10	176.84
Repairs and maintenance - others	198.75	252.44
Insurance	97.39	108.57
Rent	89.64	98.30
Communication	107.74	100.11
Printing and stationery	33.34	27.77
Rates and taxes	33.92	31.54
Subscriptions	50.49	57.36
Loss on foreign currency transactions and translation (net)	31.50	217.15
Credit impaired trade receivables and advances written off	61.49	199.96
Provision for other assets	540.00	-
Loss recognized under expected credit loss model for trade receivables	-	34.20
Corporate social responsibility expense (Refer Note 2.37)	270.49	237.58
Auditors remuneration (Refer Note below)	31.94	21.11
Donations	4.34	5.49
Loss on sale / disposal of property, plant and equipment (net)	-	18.58
Directors' sitting fees (Refer Note 2.42)	5.46	12.90
Bank charges	83.10	30.66
Provision for diminution in value of investments	-	16.84
Miscellaneous expenses	164.65	216.53
	<b>3,095.36</b>	<b>2,406.19</b>

**Note: Auditors remuneration (excluding taxes)**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
As auditor	18.00	18.00
For certification	2.92	3.00
For limited review	8.00	-
For out of pocket expenses	3.02	0.64
	<b>31.94</b>	<b>21.64</b>



**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.34 Income Tax**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(A) Amount recognised in statement of profit and loss</b>		
Current tax	600.00	1,490.00
Deferred tax attributable to temporary differences	361.56	(21.26)
Taxes on earlier years	(141.90)	-
<b>Tax expenses</b>	<b>819.66</b>	<b>1,468.74</b>
<b>(B) Reconciliation of effective tax rate</b>		
Profit before tax	24,406.94	13,542.97
Enacted tax rate in India*	25.170%	34.944%
Tax expense at enacted rates	6,143.23	4,732.46
<b>Tax effect:</b>		
- on exempted operating income	(4,056.00)	(3,453.94)
- on permanent non-deductible expenses	68.08	83.02
- on chapter VI deductions availed - 80M	(1,956.39)	-
- on change in tax rate	(22.01)	-
- on others	642.75	107.20
<b>Income-tax recognised in the standalone statement of profit and loss</b>	<b>819.66</b>	<b>1,468.74</b>

\*The tax rate used for reconciliation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under Indian tax law for the year.

**2.35 Contingent liabilities and commitments****(a) Contingent liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Claims arising from disputes not acknowledged as debts - indirect taxes	1,863.59	1,863.59
(ii) Claims arising from disputes not acknowledged as debts - direct taxes	471.21	471.21
(iii) Guarantees excluding financial guarantees		
Guarantees issued by the Company on behalf of subsidiaries of the Company (Refer Note 2.42)	8,700.00	9,500.00

**(b) Commitments**

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6,889.88	-

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.36 Trade Payables (Dues to Micro and Small Enterprises as per MSMED Act, 2006):**

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006: The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises are as under:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	379.58	222.81
(ii) Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year	-	-

The list of undertakings covered under Micro, Small and Medium Enterprises Development Act, 2006 was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

**2.37 Corporate social responsibility**

As per Section 135 of the Companies Act, 2013 ('Act'), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The focus areas of Company's CSR activities are Education, Health & Wellness and Community Engagement. The CSR activities of the Company are in line with the Schedule VII of the Companies Act, 2013. A CSR committee has been formed by the company as per the Act.

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Gross amount required to be spent by the company during the year.	253.03	237.65
Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	270.49	237.58
Shortfall at the end of the year <sup>#</sup>	-	4.60
Reason for shortfall	Not Applicable	Pertains to ongoing projects

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.38 Assets and liabilities relating to employee benefits****i. Defined contribution plans**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance, which are defined contribution plans. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund, employee state insurance and superannuation for the year aggregated to ₹ 342.98 lakhs (March 31, 2022: ₹ 460.18 lakhs) and is included in "contribution to provident and other funds".

**ii. Defined benefit plans**

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

**Reconciliation of the present value of defined benefit obligation:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	540.90	473.14
Current service cost	3.71	54.43
Interest cost	29.65	30.49
Benefits paid	(196.85)	(18.02)
Actuarial (gain)/ loss recognised in the other comprehensive income		
- changes in demographic assumptions	0.27	5.50
- changes in financial assumptions	(0.74)	(3.79)
- experience adjustments	(32.96)	(0.85)
- Transfer out	(308.47)	-
<b>Balance at the end of the year</b>	<b>35.51</b>	<b>540.90</b>

**Reconciliation of the present value of plan assets**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	319.33	282.48
Expected return on plan assets	6.91	0.38
Interest income	15.63	19.77
Contributions paid into the plan by employer	2.10	34.72
Benefits paid	(196.85)	(18.02)
Transfer out	(131.93)	-
<b>Balance at the end of the year</b>	<b>15.19</b>	<b>319.33</b>
<b>Net defined benefit obligation</b>	<b>20.32</b>	<b>221.57</b>

**i. Expense recognised in statement of profit and loss**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	3.71	54.43
Interest cost	14.02	10.72
	<b>17.73</b>	<b>65.15</b>

**ii. Remeasurements recognised in other comprehensive income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain on defined benefit obligation	(33.43)	0.85
Return on plan assets (greater)/less than discount rate	(6.91)	0.38
	<b>(40.34)</b>	<b>0.47</b>

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.38 Assets and liabilities relating to employee benefits (continued)****Plan assets**

Plan assets comprise of the following:

	As at March 31, 2023	As at March 31, 2022
Insurance company products	15.19	319.33
	<b>15.19</b>	<b>319.33</b>

**Summary of actuarial assumptions**

i. Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at March 31, 2023	As at March 31, 2022
Expected rate of salary increase	5.00%	5.00%
Discount rate	7.15%	6.70%
Attrition rate	15.00%	13.00%
Mortality table	Indian Assured Lives Mortality (2012-14) ultimate	

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

ii. Sensitivity analysis:

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate, future salary growth rate and attrition rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all others assumptions constant:

	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
<b>Gratuity Plan</b>				
Discount rate (1.0 % movement)	34.03	37.13	521.19	562.39
Future salary growth (1.0 % movement)	36.97	34.15	558.76	523.88
Attrition rate (1% movement)	35.66	35.35	542.20	539.53

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**Maturity profile of the defined benefit obligation**

Expected cash flows over the next (valued on undiscounted basis):

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	5.89	77.70
2 to 5 years	16.49	196.37
More than 5 years	10.29	107.60

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.39 Earnings per share ('EPS')**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax	23,587.28	12,074.23
Number of equity shares at the beginning and at the end of the year	21,648,291	21,648,291
Weighted average number of equity shares outstanding during the year	21,648,291	21,648,291
Basic and diluted EPS (in ₹) of ₹ 10 each	108.96	55.77

Note: The Company does not have any potentially dilutive equity shares outstanding during the year.

**2.40 Leases****Following are the changes in the carrying value of right of use assets**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	65.55	81.58
Additions	14.15	16.04
Deletions	(100.75)	-
Depreciation	43.91	(32.07)
<b>Closing Balance</b>	<b>22.86</b>	<b>65.55</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of profit and loss

**The following is the movement in lease liabilities**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	72.86	87.19
Additions	14.15	16.04
Cancellation of Lease	(30.91)	-
Finance cost accrued during the year	5.89	7.75
Payment of lease liabilities	(37.37)	(38.12)
<b>Closing Balance</b>	<b>24.62</b>	<b>72.86</b>

**The following is the break-up of current and non-current lease liabilities as at March 31, 2023**

Particulars	March 31, 2023	March 31, 2022
Non-current lease liabilities	8.15	44.89
Current lease liabilities	16.47	27.96
<b>Total</b>	<b>24.62</b>	<b>72.85</b>

**The table below provides details regarding the contractual maturities of lease liabilities on discounted basis as at March 31, 2023**

Particulars	March 31, 2023	March 31, 2022
Within one year	16.47	27.96
After one year but not more than five years	8.15	44.89
More than five years	-	-

**2.41 Segment Information**

The company is primarily engaged in one business segment, namely marine services provider, as determined by chief operating decision maker, in accordance with Ind-AS 108 "Operating Segments" for the year ended March 31, 2023. Considering the inter relationship of various activities of the business, the chief operating decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.42 Related party disclosure****A) Parties where control exists or where significant influence exists and with whom transactions have taken place during the current and previous year:**

<b>Particulars</b>	<b>Names of the related parties</b>
Ultimate Parent Company	The Adani Ports and Special Economic Zone Limited ( Refer Note 2.47)
Holding company	The Adani Harbour Services Limited ( Refer Note 2.47)
<b>Subsidiary companies</b>	Sea Sparkle Harbour Services Limited (SSHSL) Sparkle Overseas Pte. Ltd. (SOPL) Sparkle Port Services Limited (SPSL) Sparkle Terminal and Towage Services Ltd (STTSL) Sparkle Marine Services Limited (SMSL)
<b>Fellow Subsidiary Company</b>	Savi Jana Sea Foods Private Limited (SJSFL) Shanti Sagar Dredging International Limited (SSDIL) Karaikal Port
<b>Joint Venture</b>	Khimji's Sparkle Marine Services Co. SOAC (Joint Venture of SOPL) (KSMSCS)
<b>Key Managerial Personnel</b>	P. Jairaj Kumar – Chairman and Managing Director (upto May 9, 2022) P. Jairaj Kumar – Chairman and Non executive Director (w.e.f. May 10, 2022) Hiren Dhiraj Shah - Managing Director (w.e.f. May 9, 2022) Unmesh Madhusudan Abhyankar (w.e.f May 9, 2022) Pranav Vora (w.e.f October 28, 2022) Sanjeev Dhawan – Joint Managing Director (upto May 9, 2022) A.K. Sawhney – Director (Technical) (upto May 9, 2022) R. Virender Prasad – Director (Commercial) (upto May 9, 2022) V Ramakrishna – Chief Financial Officer (upto March 31, 2023) Padma Shenoy - Company Secretary (upto October 28, 2022) Sandeep Patel- Company Secretary (w.e.f October 28, 2022)
<b>Independent Directors</b>	C. Parthasarathy (upto August 20, 2021) P.V. Maiya (upto May 9, 2022) Anil L Devil (upto May 9, 2022) A.R. Ramakrishnan (upto May 9, 2022) Hari Prasad (upto May 9, 2022) Sundari R Pisupati (upto May 9, 2022) Jay Himmatlal Shah (w.e.f July 18, 2022) Dipti Shah (w.e.f July 18, 2022)
<b>Enterprises where key managerial personnel along with their relatives exercise control</b>	Ambuja Cements Limited Dighi Port Limited
<b>Relatives of Directors</b>	Aakriti Sharma Pendukonda

Ocean Sparkle Limited

Notes forming part of the standalone financial statements

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

(b) The following are the transactions with related parties during the year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Holding /Subsidiary Companies/ Joint Venture</b>		
<b>Income from port management services</b>		
- SSHSL	332.63	317.36
- SPSL	248.91	278.50
- STTSL	728.83	183.90
- APSEZ	1,256.12	-
- TAHSL	1,560.80	-
- Ambuja cements	206.46	
- SSDIL	2.50	
<b>Charter hire charges paid</b>		
- SSHSL	952.26	1,020.18
- TAHSL	844.04	-
- APSEZ	339.40	-
<b>Operational Expenses</b>		
- TAHSL	6.78	-
- Dighi Port	2.32	
<b>Interest on ICD/NCD expense</b>		
- SJSFL	32.62	-
- TAHSL	739.71	-
<b>Salaries and Wages</b>		
- APSEZ	1,710.00	-
<b>Sale of Fixed Assets</b>		
- APSEZ	1,875.00	-
- Karaikal Port	38.29	-
<b>Investment in subsidiary company</b>		
- SMSL	-	16.83
<b>Rental income</b>		
- SPSL	0.19	0.12
- STTSL	0.20	0.19
- SJSFL	0.12	0.12
<b>Dividend Received</b>		
- SOPL	7,772.72	-
<b>Intercorporate loan given</b>		
- SPSL	-	1,000.00
<b>Intercorporate loan repayment received</b>		
- SPSL	920.00	80.00
<b>Interest on Intercorporate Loan</b>		
- SPSL	7.91	48.39
<b>Intercorporate loan taken</b>		
- TAHSL	51,674.00	-
<b>Intercorporate loan paid</b>		
- TAHSL	44,874.00	-
<b>Non Convertible Debentures</b>		
- SJSFL	2,150.00	-
<b>Repayment of deposits</b>		
- SSHSL	-	27.99
<b>Reimbursement of expenses (net)</b>		
- TAHSL	82.86	-
- APSEZ	20.94	
- SPSL	33.71	33.71

**Ocean Sparkle Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.42 Related party disclosure (continued)**

**(b) The following are the transactions with related parties during the year (continued)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Subsidiary Companies/ Joint Venture</b>		
Guarantee commission income		
- SPSL	-	127.93
- STTSL	80.00	80.00
<b>Key Managerial Personnel's</b>		
<b>Rent paid</b>	-	1.92
P. Jairaj Kumar	-	1.92
<b>Dividend paid</b>	-	320.41
P. Jairaj Kumar	-	85.86
Sanjeev Dhawan	-	82.62
A.K. Sawhney	-	78.88
R. Virender Prasad	-	73.05
<b>Remuneration</b>	<b>540.85</b>	<b>1,468.62</b>
P. Jairaj Kumar *	470.67	395.94
Sanjeev Dhawan	24.02	363.39
A.K. Sawhney	24.02	363.39
R. Virender Prasad	22.14	345.91
<b>Sitting fees</b>	<b>5.46</b>	<b>12.90</b>
C. Parthasarathy	-	1.15
P.V. Maiya	0.40	3.10
Anil L Devil	0.65	3.10
A.R. Ramakrishnan	0.65	1.85
Hari Prasad	0.40	2.10
Sundari R Pisupati	0.90	1.60
Jay Himmatlal Shah	1.23	-
Dipti Shah	1.23	-
<b>Consultancy fees</b>		
P. Jairaj Kumar		-
<b>Holding Company</b>		
Dividend paid - TAHSLS	5,783.05	-
<b>Fellow Subsidiary</b>		
Dividend paid - SJSFL	1,894.85	750.04
<b>Ultimate Holding Company</b>		
Employee Cost Transfer - APSEZ	245.84	-
<b>Relatives of Directors - Aakriti Sharma Penukonda</b>		
Professional charges	52.62	-

**(c) Amounts due to/ from related parties:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Holding Company</b>		
<b>Intercorporate loan</b>		
- TAHSLS	6,800.00	-
<b>Fellow Subsidiary</b>		
Non convertible debentures		
- SJSFL	2,150.00	-
Interest accrued but not due		
- SJSFL	29.36	-
- TAHSLS	178.62	-
<b>Subsidiary Companies/ Joint Venture</b>		
<b>Intercorporate Loan</b>		
- SPSL	-	920.00
<b>Trade receivables</b>		
- SSHSL	27.45	-
- STTSL	500.34	-
- SPSL	65.34	55.14
- SJSFL	0.14	-
- APSEZ	79.77	-
- TAHSLS	483.06	-
- Ambuja Cements	18.35	-
- SSIDL	1.31	-
- Karaikal Port	40.34	-
<b>Unbilled debtors</b>		
- APSEZ	339.95	-
- SSIDL	1.39	-
<b>Trade payables</b>		
- P. Jairaj Kumar**	38.22	-
- SSHSL	146.48	104.00
- TAHSLS	779.47	-
- Dighi Port	2.69	-
- APSEZ	2,647.44	-
<b>Deposits received</b>		
- SSHSL	25.83	25.83
<b>Corporate guarantee given</b>		
- STTSL	7,700.00	8,500.00
- SPSL	1,000.00	1,000.00
<b>Managerial Remuneration payable</b>		
	-	560.00

\*Includes Rs. 443.15 lakhs being professional fees paid/payable to the non-executive director, which is subject to ratification from the Nomination and Remuneration Committee.

\*\* Subject to ratification from Nomination and Remuneration Committee.



### 2.43 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is as follows:

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Total borrowings	8,950.00	45,448.52
Less: cash and cash equivalents	243.60	13,147.35
<b>Adjusted net debt</b>	<b>A</b>	<b>8,706.40</b>
		<b>32,301.17</b>
Total equity	131,021.17	115,257.92
<b>Adjusted equity</b>	<b>B</b>	<b>131,021.17</b>
		<b>115,257.92</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(A/ B)</b>	<b>0.07</b>
		<b>0.28</b>

**Ocean Sparkle Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.44 Financial instruments - Fair values and risk management**

**A. Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**As at March 31, 2023**

	Note	Carrying Amount					Fair Value			
		Derivative instruments not in hedging relationship at FVTPL	Fair value through profit or loss ('FVTPL')	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
Current investments	2.10	-	-	-	-	-	-	-	-	-
Derivative assets, net	2.14	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>										
Non current investments	2.3	-	-	16,276.72	-	16,276.72	-	-	-	-
Trade receivables	2.4 & 2.11	-	-	7,480.38	-	7,480.38	-	-	-	-
Loans	2.5	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	2.12	-	-	243.60	-	243.60	-	-	-	-
Other bank balances	2.13	-	-	1,389.14	-	1,389.14	-	-	-	-
Other financial assets other than derivatives	2.6 & 2.14	-	-	1,003.62	-	1,003.62	-	-	-	-
<b>Total financial assets</b>		-	-	<b>26,393.46</b>	-	<b>26,393.46</b>	-	-	-	-
<b>Financial liabilities measured at fair value</b>										
Lease liabilities	2.19 & 2.24	-	24.62	-	-	24.62	-	-	26.65	26.65
<b>Financial liabilities not measured at fair value</b>										
Borrowings (excluding current maturities)	2.18	-	-	-	-	-	-	-	-	-
Trade payables	2.23	-	-	-	5,611.94	5,611.94	-	-	-	-
Other financial liabilities	2.25	-	-	-	211.13	211.13	-	-	-	-
<b>Total financial liabilities</b>		-	<b>24.62</b>	-	<b>5,823.07</b>	<b>5,847.69</b>	-	-	<b>26.65</b>	<b>26.65</b>

**As at March 31, 2022**

	Note	Carrying Amount					Fair Value			
		Derivative instruments not in hedging relationship at FVTPL	Fair value through profit or loss ('FVTPL')	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
Current investments	2.10	-	2,099.24	-	-	2,099.24	2,099.24	-	-	2,099.24
Derivative assets, net	2.14	7.19	-	-	-	7.19	-	7.19	-	7.19
<b>Financial assets not measured at fair value</b>										
Non current investments	2.3	-	-	13,771.34	-	13,771.34	-	-	-	-
Trade receivables	2.4 & 2.11	-	-	8,226.80	-	8,226.80	-	-	-	-
Loans	2.5	-	-	920.00	-	920.00	-	-	-	-
Cash and cash equivalents	2.12	-	-	13,147.35	-	13,147.35	-	-	-	-
Other bank balances	2.13	-	-	4,283.54	-	4,283.54	-	-	-	-
Other financial assets other than derivatives	2.6 & 2.14	-	-	1,291.52	-	1,291.52	-	-	-	-
<b>Total financial assets</b>		<b>7.19</b>	<b>2,099.24</b>	<b>41,640.55</b>	-	<b>43,746.98</b>	<b>2,099.24</b>	<b>7.19</b>	-	<b>2,106.43</b>
<b>Financial liabilities measured at fair value</b>										
Lease liabilities	2.18 & 2.24	-	72.85	-	-	72.85	-	-	82.84	82.84
<b>Financial liabilities not measured at fair value</b>										
Borrowings (excluding current maturities)	2.18	-	-	-	34,443.32	34,443.32	-	-	-	-
Trade payables	2.23	-	-	-	2,734.91	2,734.91	-	-	-	-
Other financial liabilities	2.25	-	-	-	319.46	319.46	-	-	-	-
<b>Total financial liabilities</b>		-	<b>72.85</b>	-	<b>37,497.70</b>	<b>37,570.55</b>	-	-	<b>82.84</b>	<b>82.84</b>

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.44 Financial instruments - Fair values and risk management (continued)****A. Accounting classifications and fair values (continued)****i. Valuation techniques and significant unobservable inputs**

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Forward exchange contracts</b>	<b>Forward pricing:</b> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable	Not applicable
<b>Interest rate swaps</b>	<b>Swap models:</b> The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates.  Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate.	Not applicable	Not applicable

**B. Financial risk management objectives and policies**

The Company has exposure to the following risks arising from financial instruments:

- a) credit risk
- b) interest risk
- c) liquidity risk
- d) market risk

**i) Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**ii) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer, employee or counterparty to a financial instrument fails to meet its contractual obligation leading to financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks, and other financial assets.

**Trade receivables**

Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a monthly basis.

Historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. The Company does not have significant credit risk exposure to any single counter party.

**Other financial assets**

The Company maintain exposure in cash and cash equivalent, term deposits with banks. The Company's maximum exposure of credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of each class of financial assets.

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.44 Financial instruments - Fair values and risk management (continued)****B. Financial risk management objectives and policies (continued)****iii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents adequate to finance the operations and to mitigate the effects of fluctuations in cash flow. As at March 31, 2023, the Company has net current assets/ (liabilities) of ₹ (4083.06) lakhs (March 31, 2022: ₹ 14,933.29 lakhs).

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

**As at March 31, 2023**

	Carrying amount	Contractual cash flows			Total
		within 12 months	2 to 5 years	More than five years	
Borrowings	15,750.00	2,150.00	6,800.00	-	8,950.00
Trade payables	5,611.94	5,611.94	-	-	5,611.94
Lease liabilities	24.62	18.05	8.60	-	26.65
Other financial liabilities	211.13	211.13	-	-	211.13
	<b>21,597.69</b>	<b>7,991.12</b>	<b>6,808.60</b>	<b>-</b>	<b>14,799.72</b>

**As at March 31, 2022**

	Carrying amount	Contractual cash flows			Total
		within 12 months	2 to 5 years	More than five years	
Borrowings	45,448.52	14,551.05	25,621.30	17,371.02	57,543.37
Trade payables	2,734.91	3,432.27	-	-	3,432.27
Lease liabilities	72.85	34.13	67.69	-	101.82
Other financial liabilities	319.46	517.39	-	-	517.39
	<b>48,575.74</b>	<b>18,534.84</b>	<b>25,688.99</b>	<b>17,371.02</b>	<b>61,594.85</b>

**Ocean Sparkle Limited**

**Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.44 Financial instruments - Fair values and risk management (continued)**

**B. Financial risk management objectives and policies (continued)**

**iv) Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and reduce market risk exposures within acceptable parameters.

**Currency risk:**

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The functional currency for the Company is ₹. The currencies in which these transactions are primarily denominated is US dollars, Euros and Japanese yen.

**Exposure to currency risk:**

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

Particulars	Currency	March 31, 2023		March 31, 2022	
		₹	Foreign currency in lakhs	₹	Foreign currency in lakhs
<b>Financial assets</b>					
Bank balances	USD	0.01	0.00	579.38	7.64
Trade receivables	USD	17.63	0.21	625.46	8.25
<b>Net exposure in respect of recognised assets</b>		<b>17.64</b>		<b>1,204.84</b>	
<b>Financial liabilities</b>					
Borrowings	USD	-	-	(1,781.12)	(23.50)
Trade payables	USD	(11.57)	(0.14)	(108.75)	(1.43)
Trade payables	JPY	(63.78)	(103.54)	(38.74)	(62.33)
Trade payables	EURO	-	-	(5.97)	(0.07)
Trade payables	SGD	-	-	(1.33)	(0.02)
Trade payables	GBP	(1.16)	(0.01)	-	-
<b>Derivative liabilities, net</b>					
Foreign exchange forward contracts and swaps	USD	-	-	1,781.12	23.50
<b>Net exposure in respect of recognised liabilities</b>		<b>(76.51)</b>		<b>(154.79)</b>	
<b>Net exposure in respect of recognised liabilities</b>		<b>(58.87)</b>		<b>1,050.05</b>	

**Sensitivity analysis:**

A reasonably possible strengthening (weakening) of the, US dollar, Euro or Japanese yen against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>As at March 31, 2023</b>				
USD (5% movement)	(0.30)	0.30	(0.20)	0.20
JPY (5% movement)	3.19	(3.19)	2.09	(2.09)
EURO (5% movement)	-	-	-	-
GBP (5% movement)	0.06	(0.06)	0.04	(0.04)
SGD (5% movement)	-	-	-	-
<b>As at March 31, 2022</b>				
USD (5% movement)	68.54	(68.54)	44.82	(68.54)
JPY (5% movement)	9.45	(9.45)	6.18	(9.45)
EURO (5% movement)	0.15	(0.15)	0.10	(0.15)
SGD (5% movement)	1.11	(1.11)	0.72	(1.11)

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**Derivative financial instruments**

The fair value of foreign exchange contracts, options and foreign exchange swaps are accounted for based on the difference between the contractual price and the current market price. The fair values of interest rate swaps and cross currency swaps are the indicative amounts that the Company is expected to receive or pay to terminate the swap with the swap counterparties at the balance sheet date.

Particulars	At at March 31, 2023		At at March 31, 2022	
	Foreign currency in lakhs	₹	Foreign currency in lakhs	₹
<b>Derivative instruments at FVTPL (not designated as hedge)</b>				
<b>Full hedge swap contracts</b>				
In USD	-	-	23.50	1,781.12
<b>Principal hedge swap contracts</b>				
<b>Total</b>		<b>0.00</b>		<b>1,781.12</b>

Closing conversion rate for foreign currency loans as on March 31, 2023 is USD ₹ 82.17 (March 31, 2022: ₹ 75.795)

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

Particulars	As at	
	March 31, 2023	March 31, 2022
Not later than one month	-	-
Later than one month and not later than three months	-	-
Later than three months and not later than one year	-	356.24
	<b>0.00</b>	<b>356.24</b>

**Interest rate risk:**

The Company adopts a policy of ensuring that between 80 and 90% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

**Exposure to interest rate risk:**

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Fixed rate instruments</b>		
Financial assets	112.40	14,696.91
Financial liabilities	(10.70)	(10.70)
	<b>101.70</b>	<b>14,686.21</b>
Effect of interest rate swaps	-	(1,781.12)
	<b>101.70</b>	<b>12,905.09</b>
<b>Variable rate instruments</b>		
Financial liabilities	10.70	(34,432.62)
	<b>10.70</b>	<b>(34,432.62)</b>
Effect of interest rate swaps	-	1,781.12
	<b>10.70</b>	<b>(32,651.50)</b>

**Sensitivity**

Particulars	Impact on profit and loss	
	As at March 31, 2023	As at March 31, 2022
1% increase in interest rate	0.11	(326.52)
1% decrease in interest rate	(0.11)	326.52

The interest rate sensitivity is based on the closing balance of loans from banks.

**Ocean Sparkle Limited****Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.45 Financial Ratios**

S No	Particulars	Numerator	Denominator	Ratios		Variance (%)	Change in ratio in excess of 25% compared to preceding year
				for the year ended			
				March 31, 2023	March 31, 2022		
1	Current ratio	Current assets	Current liabilities	0.74	1.93	-61.66%	On account of repayment of borrowings during the year.
2	Debt-Equity ratio	Total Debt	Total equity	0.07	0.39	-82.05%	On account of repayment of borrowings during the year.
3	Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + finance cost	Debt service = Interest and lease payments + Principal repayments	0.86	1.26	-31.75%	Movement on account of preclosure of borrowings.
4	Net capital turnover ratio	Revenue from Operations	Working capital (i.e. Current assets less Current liabilities)	-13.06	3.52	-471.02%	Increase in working capital in line with the business surplus funds has resulted in decrease in ratio.
5	Return on equity ratio	Net profit after taxes	Average equity	0.19	0.11	72.73%	In line with the increase in the profit during the year.
6	Trade receivables turnover ratio	Revenue from Operations	Average trade receivables	6.79	6.00	13.17%	
7	Trade payables turnover ratio	Operating expenses	Average trade payables	3.14	3.78	-16.93%	
8	Net profit margin	Net profit after taxes	Revenue from Operations	44.22%	22.94%	92.76%	In line with the increase in the profit during the year.
9	Return on capital employed	Earnings before Interest and Taxes	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	19.30%	15.09%	27.90%	Increase in networth due to increase in profit during the year on account of increase in revenue and decrease in administrative expenses.
10	Return on Investment	Income generated from investments	Average investments	0.02%	0.07%	-71.43%	Lower return on investments in the current year due to preclosure of investments.

**Note:** Ratio relating to Inventory Turnover is not applicable to the Company.

## **Ocean Sparkle Limited**

### **Notes forming part of the standalone financial statements**

(All amounts are in Indian Rupees in lakhs, except for share data or otherwise stated)

**2.46** The board of directors of Ocean Sparkle Limited, in their meeting held on March 27, 2023 declared and paid interim dividend of ₹ 36.00 on fully paid equity shares, aggregating to Rs. ₹ 7,793.38 lakhs.

In respect of the year ended March 31, 2022, the board of directors in their meeting held on August 20, 2021 declared and paid an interim dividend of ₹ 14.25 per fully paid equity shares aggregating ₹ 3,084.88 lakhs.

**2.47** Adani Ports and Special Economic Zone Limited ("APSEZ") through its subsidiary, The Adani Harbour Services Ltd ("TAHSL"), has acquired 100% stake in the Company as of May 1, 2022. Accordingly from May 11, 2022, TAHSL has become the holding company and APSEZ has become the ultimate holding Company for the Company.

#### **2.48 Other 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 has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 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 on behalf of the ultimate beneficiaries.
- v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- vii) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.
- viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- x) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- xi) The Company does not have any transactions with companies which are struck off.
- xii) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

**2.50** The financial statements are approved for issue by the Board of Directors on May 29, 2023.

For and on behalf of the Board of Directors of  
**Ocean Sparkle Limited**  
CIN:U05005TG1995PLC021217

**Hiren Shah**  
Managing Director  
DIN : 00275758

**Unmesh Abhyankar**  
Director  
DIN : 03040812

**Avinash Patel**  
Chief Financial Officer

**Sandeep Patel**  
Company Secretary  
Membership No. A45542

Place: Hyderabad  
Date: May 29, 2023