

BOARD'S REPORT

**To the Members,
BHARAT KOLKATA CONTAINER TERMINALS PRIVATE LIMITED**

Your Directors have the pleasure in presenting their Ninth Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2023.

1. FINANCIAL RESULTS

Particulars	<i>(Amount in INR)</i>	
	Financial Year	
	2022-23	2021-22
Total revenue	723,257,529	682,122,624
Other Income	21,985,09	26,967,619
Total Expenses	739,492,662	859,307,917
Profit / (Loss) before tax	(140,36,624)	(150,217,674)
Tax expense	-	401,112
Profit / (Loss) for the period	(140,36,624)	(150,618,786)

2. DIVIDEND

During the year under review, no dividend is being declared by the Company to conserve the resources and take up development measures.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 does not apply as there was no dividend declared and paid during the year under review.

4. REVIEW OF BUSINESS OPERATIONS, AND FUTURE PROSPECTS

The Company has an Agreement with the Board of Trustees of the Port of Kolkata ('the Port') for Supply, Operation and Maintenance of equipment for container handling operations in Kolkata Dock System (KDS), Kolkata Port Trust (now known as "Syama Prasad Mookerjee Port") for a period of 10 years starting from Financial Year 2014-15. During the year under review, the Company handled 561,358 TEUs (2021-22: 564,243 TEUs).

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT

No material changes and commitments affecting the Company's financial position occurred between the end of the financial year to which these financial statements relate and the date of this report.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 1** and is attached to this report.

7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has in place a process to identify potential risk elements and for its assessments and mitigation. The Company does not anticipate any immediate business risk.

8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of section 135 (5) of the Companies Act, 2013 are not applicable to the Company and accordingly, is not required to spend 2% CSR for 2022-23. The Company has formed CSR Committee and has a CSR policy in place which can be accessed on the Company's website at <https://india.globalpsa.com/kolkata>

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not provided any loans and guarantees or made any investments pursuant to Section 186 of the Companies Act, 2013.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the contracts and arrangements with Related Parties were in the ordinary course of business and on an arm's length basis. There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 which required the approval of shareholders during the year under review.

11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS

All observations by the Auditors in their report are self-explanatory. There is no qualification, reservation or adverse remark in their Report.

12. ANNUAL RETURN

Pursuant to the provisions of section 92(3) and 134(3) of the Companies Act 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on 31st March 2023 can be accessed on the Company's website at <https://india.globalpsa.com/kolkata>

13. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 5 Board Meetings during the financial year 2022-23. They are listed below. The applicable Secretarial Standards were followed by the Company.

SL#	Date
1	05 July 2022
2	29 September 2022
3	30 September 2022
4	29 November 2022
5	23 March 2023

14. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement that:—

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of

all applicable laws and that such systems were adequate and operating effectively.

15. DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to uphold and maintain the dignity of woman employees and it has formed policy that provides for protection against sexual harassment at workplace and for prevention and redressal of such complaints. The Company has constituted an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2022-23, there were 2 meetings held and no complaints were received during the year.

16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiaries, joint ventures and associate companies.

17. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

18. STATUTORY AUDITORS

B S R & Co. LLP. Chartered Accountants (Firm's Registration No: 101248W/ W-100022) are appointed as Statutory Auditors of the Company for a period of five Financial Years commencing from 1st April, 2020 till 31st March, 2025 by the members in the Annual General Meeting held on 30th October 2020.

19. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has in place adequate internal control systems commensurate with the size of its operations. There is no material adverse remark made in Internal Audit and Internal Financial Control Report for 2022-23.

20. CHANGES IN BOARD OF DIRECTORS

During the year 2022-23, the following changes happened:

- i. Mr. Gobu Selliaya(DIN: 09565592) and Ms. Lau Lee Leng(DIN: 09727635) were appointed as non-executive directors with effect from 5 May 2022 and 1 October 2022 respectively.
- ii. Mr. Anuj Rathi(DIN: 03578532) resigned from the post of directorship with effect from 30 September 2022.

21. SHARES

a. FURTHER ISSUE OF EQUITY SHARES

There were no further shares issued in the financial year 2022-23. Total issued and paid-up share capital of the Company as on 31st March 2023 is INR 74,50,98,020/-

b. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

c. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

d. BONUS SHARES

No Bonus Shares were issued during the year under review.

e. EMPLOYEES STOCK OPTION PLAN

The Company has not issued Equity Shares under the Employees Stock Option Plan during the year under review.

22. ACKNOWLEDGEMENTS

Your directors places on record their sincere thanks to the shareholders, bankers, business associates, consultants and various Government Authorities for their continued support extended to the Company during the year under review. Your directors also gratefully acknowledge the shareholders for their support and confidence reposed on the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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Gobu Sellैया
Director
DIN-09565592

Date: 29 August 2023
Place: Mumbai

SURESH NARAYANA
AMIRAPU

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Suresh N Amirapu
Director
DIN-00792915

Date: 29 August 2023
Place: Chennai

Annexure – 1

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy

The Company is taking appropriate steps and measures to conserve the consumption of energy and wherever possible, is installing energy-conservative tools, machinery, and apparatus and providing training to the workers, staff, and others for the conservation of energy.

B. Technology absorption:

Considering the nature of business activities being carried out by the Company, the Directors havenothing to report regarding technology absorption.

C. Foreign Exchange Earnings & Outgo:

Earnings & Expenditure in Foreign Currency: refer Note 24 of the notes under the financial statements.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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SELLIAYA

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Date: 2023.08.29
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Gobu Selliaya
Director
DIN-09565592

Date: 29 August 2023
Place: Mumbai

SURESH NARAYANA
AMIRAPU

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Date: 2023.08.29 18:46:41
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Suresh N Amirapu
Director
DIN-00792915

Date: 29 August 2023
Place: Chennai

FORM NO. AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis – **NONE**
 - a) Name(s) of the related party and nature of relationship
 - b) Nature of contracts/arrangements/transactions
 - c) Duration of the contracts / arrangements/transactions
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - e) Justification for entering into such contracts or arrangements or transactions
 - f) Date(s) of approval by the Board
 - g) Amount paid as advances, if any
 - h) Date on which the special resolution was passed in General meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis- ***The contracts entered into are in the ordinary course of business.***
 - a) Name(s) of the related party and nature of the relationship
 - b) Nature of contracts/arrangements/transactions
Duration of the contracts/arrangements/transactions
 - c) Justification for entering into such contracts or arrangements or transactions
 - d) Date(s) of approval by the Board
 - e) Amount paid as advances, if any
 - f) Date on which the special resolution was passed in the General meeting as required under the first proviso to section 188

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

GOBU
SELLIAYA
Gobu Selliaya
Director
DIN-09565592

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GOBU SELLIAYA
Date: 2023.08.29
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SURESH NARAYANA
AMIRAPU
Suresh N Amirapu
Director
DIN-00792915

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NARAYANA AMIRAPU
Date: 2023.08.29 18:46:55 +05'30'

Date: 29 August 2023
Place: Mumbai

Date: 29 August 2023
Place: Chennai

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Independent Auditor's Report

To the Members of Bharat Kolkata Container Terminals Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bharat Kolkata Container Terminals Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

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

Independent Auditor's Report (Continued)

Bharat Kolkata Container Terminals Private Limited

Management's and Board of Directors'/Board of Trustees' Responsibilities for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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 and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report (Continued)

Bharat Kolkata Container Terminals Private Limited

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 33(c) 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Continued)

Bharat Kolkata Container Terminals Private Limited

- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 33(d) to the financial statements, no funds have been received by the Company from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) 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 (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Rupen
Dilip
Kumar
Shah

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Kumar Shah
Date: 2023.08.29
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Rupen Shah

Partner

Place: Ahmedabad

Date: 29 August 2023

Membership No.: 116240

ICAI UDIN:23116240BGWVFG8503

Annexure A to the Independent Auditor's Report on the Financial Statements of Bharat Kolkata Container Terminals Private Limited for the year ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. However, the Company is not required to file quarterly returns or statements with banks as per sanction letter. Accordingly, clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section

Annexure A to the Independent Auditor's Report on the Financial Statements of Bharat Kolkata Container Terminals Private Limited for the year ended 31 March 2023 (Continued)

148(1) of the Act in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of provident fund, employee state insurance and tax deducted at source.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Rs in thousands

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	176.07	April 2022 - September 2022	15th of the following month	NA	We understand that the company is in the process of completing the KYC process for the concerned employees.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and

Annexure A to the Independent Auditor's Report on the Financial Statements of Bharat Kolkata Container Terminals Private Limited for the year ended 31 March 2023 (Continued)

- borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
 - (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
 - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
 - (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.
 - (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
 - (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
 - (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
 - (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 - (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
 - (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
 - (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India

Annexure A to the Independent Auditor's Report on the Financial Statements of Bharat Kolkata Container Terminals Private Limited for the year ended 31 March 2023 (Continued)

- Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvi) The Company has not incurred cash losses in the current financial year. However, the company had incurred a cash loss of INR 52,057 thousands in the previous financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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 requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Rupen Shah

Partner

Place: Ahmedabad

Date: 29 August 2023

Membership No.: 116240

ICAI UDIN:23116240BGWVFG8503

Annexure B to the Independent Auditor's Report on the financial statements of Bharat Kolkata Container Terminals Private Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of Bharat Kolkata Container Terminals Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

Annexure B to the Independent Auditor's Report on the financial statements of Bharat Kolkata Container Terminals Private Limited for the year ended 31 March 2023 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Rupen Dilip
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Kumar Shah
Date: 2023.08.29
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Rupen Shah

Partner

Place: Ahmedabad

Date: 29 August 2023

Membership No.: 116240

ICAI UDIN:23116240BGWVFG8503

Bharat Kolkata Container Terminals Private Limited

Balance Sheet

as at 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	7,45,098	7,45,098
Reserves and surplus	4	(81,112)	(67,076)
		6,63,986	6,78,022
Non-current liabilities			
Long-term borrowings	5	-	-
Long-term provisions	6	7,516	5,551
Other Long Term liabilities	7	500	500
		8,016	6,051
Current liabilities			
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises; and	8	2,004	2,749
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	97,467	1,89,750
Other current liabilities	9	9,846	1,09,214
Short-term provisions	6	210	235
		1,09,527	3,01,948
TOTAL		7,81,529	9,86,021
ASSETS			
Non-current assets			
Property, Plant and Equipment	10	3,96,099	5,16,410
Intangible assets	11	-	-
		3,96,099	5,16,410
Long-term loans and advances	12	15,540	6,645
		4,11,639	5,23,055
Current assets			
Inventories	13	58,197	75,284
Trade receivables	14	2,03,266	2,66,854
Cash and cash equivalents	15	9,343	26,389
Bank Balances other than above	15A	36,499	-
Short-term loans and advances	12	14,199	46,120
Other current assets	16	48,386	48,319
		3,69,890	4,62,966
TOTAL		7,81,529	9,86,021

Significant accounting policies

Notes to the financial statements

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Rupen Dilip
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Date: 2023.08.29
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Rupen Shah

Partner

Membership No: 116240

Place: Ahmedabad

For and on behalf of Board of Directors of

Bharat Kolkata Container Terminals Private Limited

CIN: U74999WB2014FTC229329

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Date: 2023.08.29
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Gobu Selliaya

Director

DIN: 09565592

Place: Mumbai

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Date: 2023.08.29 16:01:15 +05'30'

Aditya Pareek

Company Secretary

PAN: AZRPP2143F

Place: Kolkata

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Date: 2023.08.29 15:39:11
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Suresh N Amirapu

Director

DIN: 00792915

Place: Chennai

Date: 29 August 2023

Date: 29 August 2023

Bharat Kolkata Container Terminals Private Limited

Statement of Cash Flows

for the year ended 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flow from operating activities		
Profit before tax	(14,036)	(1,50,218)
Adjustments:		
Depreciation and amortisation expenses	1,20,441	98,161
Interest income on term deposits with banks	(1,410)	(1,494)
Loss on sale of Assets	8	-
Finance Costs	13,283	9,736
Operating cash flow before working capital changes	1,18,286	(43,815)
Changes in working Capital		
Decrease in trade receivables	63,588	33,238
Decrease/(Increase) in inventories	17,087	(11,181)
Decrease/(Increase) in loans and advances	22,737	(23,426)
Decrease in other current assets	354	230
(Decrease)/Increase in trade payables	(93,028)	77,101
Increase in provision for gratuity and compensated absences	1,941	753
Increase/(Decrease) in other current liabilities	1,222	(3,219)
Net cash flows generated from operations	1,32,187	29,681
Income taxes refunded/(paid)	289	(7,716)
Net cash flows generated from operating activities (A)	1,32,476	21,965
B Cash flow from investing activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(178)	(2,560)
Sale proceeds of Property, Plant and Equipment and Intangible Assets	40	-
Interest received	989	2,095
Deposits placed with original maturity of more than 3 months but less than 12 months	(36,499)	-
Net cash flows (used in) investing activities (B)	(35,648)	(465)
C Cash flow from financing activities		
Interest paid	(13,874)	(10,339)
Term Loans availed	1,50,000	-
Term Loans repaid	(2,50,000)	(1,00,000)
Net cash flows (used in) financing activities (C)	(1,13,874)	(1,10,339)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(17,046)	(88,839)
Cash and cash equivalents at the beginning of the year	26,389	1,15,228
Cash and cash equivalents at the end of the year (refer note 2 below)	9,343	26,389

Notes:

1 The Statement of Cash Flows has been prepared under the indirect method as set out in Accounting Standard - 3 ('AS 3') on Cash Flow Statement prescribed in Companies (Accounting Standard) Rules, 2006, which continue to apply under section 133 of the Companies Act, 2013, read with rules 7 of the Companies (Accounts) rules, 2014.

2 Components of Cash and cash equivalents

Cash on hand	16	5
Balances with banks:		
- in current accounts	4,327	16,384
- deposits having original maturity upto three months	5,000	10,000
	9,343	26,389

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Rupen Dilip Kumar Shah
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Date: 2023.08.29 17:41:39 +05'30'

Rupen Shah

Partner

Membership No: 116240

Place: Ahmedabad

For and on behalf of Board of Directors of
Bharat Kolkata Container Terminals Private Limited
CIN: U74999WB2014FTC229329

GOBU SELLIAYA
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Date: 2023.08.29 16:09:20 +05'30'

Gobu Selliaya

Director

DIN: 09565592

Place: Mumbai

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Date: 2023.08.29 16:09:20 +05'30'

Aditya Pareek

Company Secretary

PAN: AZRPP2143F

Place: Kolkata

SURESH NARAYANA AMIRAPU
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Date: 2023.08.29 15:40:25 +05'30'

Suresh N Amirapu

Director

DIN: 00792915

Place: Chennai

Date: 29 August 2023

Date: 29 August 2023

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements

for the year ended 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

1 Background

Bharat Kolkata Container Terminals Private Limited ('the Company') was incorporated on 1 April 2014. The Company has entered into an Agreement with the Board of Trustees of the Port of Kolkata ('the Port') for Supply, Operation and Maintenance of equipment for container handling operations in Kolkata Dock System (KDS), Kolkata Port Trust for a period of 10 years. The Company is a subsidiary of PSA Bharat Investments Pte. Ltd. ('the Holding Company').

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") (to the extent notified), read with Rule 7 of the Companies (Accounts) Rules, 2014, read with Companies (Accounting Standards) Amendment Rules, 2016 applicable with effect from 1 April 2016 and other generally accepted accounting principles (GAAP) in India, to the extent applicable. The financial statements are presented in Indian rupees.

2.2 Current-non-current classification

The Schedule III of the Act requires assets and liabilities to be classified as either current or non-current.

Assets

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

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity investments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with Schedule III of the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

2.3 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

(All amounts are in Indian Rupees unless otherwise stated)

2 Significant accounting policies (Continued)

2.4 Property, plant and equipment- Tangible Assets

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation/amortisation and impairment loss, if any. Cost comprises its purchase price, including inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation of the property, plant and equipment up to the time the assets are ready for intended use. Subsequent expenditure on a property, plant and equipment after its purchase/ completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Advance paid /expenditure incurred on acquisition /construction of property, plant and equipment which are not ready for their intended use at each balance sheet date are disclosed under loans and advances as advances on capital account and capital work-in-progress respectively. Capital work-in-progress includes cost of property, plant and equipment that are not ready to use at balance sheet date.

Losses arising from retirement of and gains/ losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss.

2.5 Intangible assets

Intangible assets comprise of Computer Software and are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/ completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Losses arising from retirement of and gains/ losses arising from disposal of intangible assets which are carried at cost are recognised in the statement of profit and loss.

2.6 Depreciation and amortisation

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on the depreciable amount of an item of Property, plant and equipment is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight-line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Based on technical evaluation, the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc, the management believes the useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with AS-5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

The estimated useful lives for the current and comparative periods are as follows:

Asset Class	Useful lives (in Years) as per Companies Act	Useful lives (in Years) as estimated by the Company
Building	30 to 60 years	10 years (Term of Contract)
Plant and Machinery	10 to 20 years	5 to 10 years
Furniture and Fixtures	10 years	10 years
Vehicles	10 years	10 years
Office Equipments	5 years	2 to 5 years
Computers	3 to 6 years	3 years

Lease hold improvements are amortised over the primary lease period or the useful life of the assets, whichever is lower.

Pro-rata depreciation is provided for all assets purchased/ sold during the year.

Software are amortised between 3 to 6 years.

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2023

(All amounts are in Indian Rupees unless otherwise stated)

2 Significant accounting policies (*Continued*)

2.7 Impairment of assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that an asset (property, plant and equipment and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The amount recognised as revenue is exclusive of service tax/ sales tax/ VAT/ goods and services tax and is net of discounts.

Revenue from container handling is recognised as related services are performed.

Revenue from sale of scrap is recognised as and when such scrap is sold.

Interest income is recognised on a time proportion basis.

Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 on the port services income is recognised based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS licenses are classified as 'Other Current Assets'.(refer note 16)

2.9 Borrowing costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use. In determining the amount of borrowing costs eligible for capitalisation, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred. Further, it includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.10 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at the fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Operating lease payments are recognised as an expense on a straight-line basis over the non cancellable period of the lease term and charged to the Statement of profit and loss unless other systematic basis is more representative of the time pattern of the benefit. Any modifications in respect of lease terms or assumptions are recorded prospectively.

2.11 Inventories

Inventories which comprise of stores and spare parts are carried at lower of cost and net realisable value. Cost of inventories comprise of all purchase costs, taxes and duties and all expenses incurred in bringing the inventory to its present location and condition, but excludes duties and taxes that are subsequently recoverable from tax authorities. 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.

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2023

(All amounts are in Indian Rupees unless otherwise stated)

2 Significant accounting policies (*Continued*)

2.12 Foreign exchange transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- c. Non-monetary foreign currency items are carried at cost.
- d. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

2.13 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salaries and wages, bonus, performance incentives, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the employee service is recognised as an expense as the related service is rendered by the employee.

Post employment benefits

Defined contribution plans:

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

Defined Benefit Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified independent actuary using the projected unit credit method at the balance sheet date.

The Company recognises all actuarial gains and losses arising from the defined benefits plans immediately in the statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits in the statement of profit and loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in the Statement of Profit and Loss on a straight line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method at the balance sheet date.

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2023

(All amounts are in Indian Rupees unless otherwise stated)

2 Significant accounting policies (*Continued*)

2.14 Taxation

Income-tax expense comprises current tax and deferred tax charge or credit.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

The Company is engaged in the business of container handling activities and maintaining the container operations terminal at Kolkata Port and qualifies for deduction under Section 80 IA of the Income-Tax Act, 1961.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

2.15 Provisions and contingencies

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised, nor disclosed in the financial statements.

2.16 Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share is computed after adjusting the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.17 Cash flow statement

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

2.18 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.

2.19 Rounding off

Transactions and balances have been rounded off to the nearest thousands or decimal rupees thereof.

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements for the year ended 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

3 Share capital

	As at 31 March 2023	As at 31 March 2022
Authorised		
76,500,000 (31 March 2021: 76,500,000) equity shares of INR 10 each	7,65,000	7,65,000
	<u>7,65,000</u>	<u>7,65,000</u>
Issued, subscribed and paid up		
74,509,802 (31 March 2021: 74,509,802) equity shares of INR 10 each, fully paid-up	7,45,098	7,45,098
	<u>7,45,098</u>	<u>7,45,098</u>

3.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each, fully paid-up				
At the commencement of the year	7,45,09,802	7,45,098	7,45,09,802	7,45,098
Add : Issue of equity shares during the year	-	-		
At the end of the year	<u>7,45,09,802</u>	<u>7,45,098</u>	<u>7,45,09,802</u>	<u>7,45,098</u>

3.2 Rights, preferences and restrictions attached to equity shares

As at the reporting date, the Company has one class of equity shares referred to as 'equity shares' having a par value of INR 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. Each holder of equity shares is entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

3.3 Details of share holders holding more than 5% of shares of INR 10 each fully paid in the Company

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% held	No. of shares	% held
Equity share capital				
Equity shares of INR 10 each, fully paid-up				
PSA Bharat Investments Pte. Ltd., Singapore along with its nominees	3,80,00,000	51%	3,80,00,000	51%
PSA India Pte Ltd	3,65,09,802	49%	3,65,09,802	49%
	<u>7,45,09,802</u>	<u>100%</u>	<u>7,45,09,802</u>	<u>100%</u>

3.4 Shares held by holding company and / or their subsidiaries / associates

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each, fully paid-up				
Shares held by holding company				
PSA Bharat Investments Pte. Ltd., Singapore along with its nominees	3,80,00,000	3,80,000	3,80,00,000	3,80,000
Shares held by intermediate holding company				
PSA India Pte Ltd	3,65,09,802	3,65,098	3,65,09,802	3,65,098
Total	<u>7,45,09,802</u>	<u>7,45,098</u>	<u>7,45,09,802</u>	<u>7,45,098</u>

4 Reserves and surplus

	As at 31 March 2023	As at 31 March 2022
Balance in the Statement of Profit and Loss		
At the commencement of the year	(67,076)	83,543
Add: Profit for the year	(14,036)	(1,50,619)
At the end of the year	<u>(81,112)</u>	<u>(67,076)</u>

5 Long term borrowings

	As at 31 March 2023	As at 31 March 2022
Term loan		
- from banks (secured)	-	-
	<u>-</u>	<u>-</u>

Terms of repayment of borrowings and the nature of security

(i) During the year ended 31 March 2018 the Company availed term loans of INR 500,000,000 from Kotak Mahindra Bank Ltd. The interest rate for each interest period shall be based on the applicable base rates plus spread @ 0.10%. The facility carried an interest rate of 7.0% as at 31 March 2023 (31 March 2022: 7.00%). The loan is repayable in equated quarterly installment of 4 (31 March 2021: 8) with installments of INR 25,000,000 (31 March 2021: INR 25,000,000). The loan is repaid fully 4 May 2022.

(ii) During the year ended 31 March 2023 the company availed term loan of INR 150,000,000 from ICICI Bank Ltd. The interest rate for each interest period shall be based on the applicable 3 month T-bill rates plus spread @2.82%. The facility carried an interest rate of 6.7% as at 31 March 2023 (31 March 2022: Nil). The loan is repayable in equated quarterly installment of 4 (31 March 2023: 3) with installments of INR 21,428,570 (31 March 2022: INR Nil).

(iii) The Company has repaid outstanding of loan of INR 4,25,71,428 on 15th Feb 2023.

(iv) The loan is secured by first and exclusive charge by way of hypothecation over the entire fixed movable assets and current assets including stock and book debts (both present and future).

Amount disclosed under "Other current liabilities-current maturities of Long term debt" - Rs. Nil (31 March 22 Rs. 10,000,000) (Refer Note 9).

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements

for the year ended 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

6 Provisions	As at 31 March 2023		As at 31 March 2022	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits				
Gratuity (refer note 26 (ii))	6,399	179	4,614	197
Compensated absences (refer note 26 (iii))	1,117	31	937	38
	<u>7,516</u>	<u>210</u>	<u>5,551</u>	<u>235</u>
			As at	As at
			31 March 2023	31 March 2022
7 Other Long Term liabilities				
Security deposit			500	500
			<u>500</u>	<u>500</u>
			As at	As at
			31 March 2023	31 March 2022
8 Trade payables				
Trade payables				
a) Total outstanding dues of micro enterprises and small enterprises (refer note 32)			2,004	2,749
b) Total outstanding dues of creditors other than micro enterprises and small enterprises			97,467	1,89,750
			<u>99,471</u>	<u>1,92,499</u>

31 March 2023					
	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	2,004	-	-	-	2,004
(ii) Others	40,724	12	10	9	40,755
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(iv) Accrual for Expenses	50,253	-	-	6,459	56,712
Total	92,981	12	10	6,468	99,471

31 March 2022					
	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) MSME	2,749	-	-	-	2,749
(ii) Others	1,04,012	20,377	-	1,524	1,25,913
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(iv) Accrual for Expenses	57,379	-	-	6,458	63,837
Total	1,64,140	20,377	-	7,982	1,92,499

9 Other current liabilities		
Current maturities of long term debt (Refer note 5)	-	1,00,000
Interest accrued but not due	-	590
Other Payable		
Employee benefits payable	3,373	2,965
Statutory liabilities		
- Tax deducted at source	3,206	3,941
- Profession tax	23	22
- Provident fund	913	611
- Employees state insurance corporation	82	72
- GST and Custom Duty payable	2,249	1,013
	<u>9,846</u>	<u>1,09,214</u>

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (Continued)

as at 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

10 Property, plant and equipment

Particulars	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Leasehold improvements	Total
Gross block								
Balance as at 1 April 2021	6,900	14,04,317	1,321	269	4,369	7,923	2,731	14,27,830
Additions	1,025	-	-	-	1,232	205	-	2,462
Deletions	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	7,925	14,04,317	1,321	269	5,601	8,128	2,731	14,30,292
Additions	-	-	70	-	42	66	-	178
Deletions	-	-	-	269	-	-	-	269
Balance as at 31 March 2023	7,925	14,04,317	1,391	-	5,643	8,194	2,731	14,30,201
Accumulated depreciation/amortisation								
Balance as at 1 April 2021	4,328	7,96,408	889	165	3,980	7,342	2,731	8,15,843
Depreciation/amortisation for the year	700	96,497	125	29	380	308	-	98,039
Deletions	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	5,028	8,92,905	1,014	194	4,360	7,650	2,731	9,13,882
Depreciation/amortisation for the year	1,084	1,18,160	146	27	715	309	-	1,20,441
Deletions	-	-	-	221	-	-	-	221
Balance as at 31 March 2023	6,112	10,11,065	1,160	-	5,075	7,959	2,731	10,34,102
Net block								
Balance as at 31 March 2022	2,897	5,11,412	307	75	1,241	478	-	5,16,410
Balance as at 31 March 2023	1,813	3,93,252	231	-	568	235	-	3,96,099

11 Intangible assets

Particulars	Computer Software	Total
Gross block		
Balance as at 1 April 2021	17,782	17,782
Additions	-	-
Deletions	-	-
Balance as at 31 March 2022	17,782	17,782
Additions	-	-
Deletions	-	-
Balance as at 31 March 2023	17,782	17,782
Accumulated amortisation		
Balance as at 1 April 2021	17,660	17,660
Amortisation for the year	122	122
Deletions	-	-
Balance as at 31 March 2022	17,782	17,782
Amortisation for the year	-	-
Deletions	-	-
Balance as at 31 March 2023	17,782	17,782
Net Block		
Balance as at 31 March 2022	-	-
Balance as at 31 March 2023	-	-

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (Continued)

as at 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

12 Loans and advances

(Unsecured, considered good)

	As at 31 March 2023		As at 31 March 2022	
	Long-term	Short-term	Long-term	Short-term
To parties other than related parties				
Other loans and advances				
- Advances to employees	-	163	-	19
- Prepaid expenses	-	3,686	-	3,045
- Advance income taxes [net of provision for income tax INR Nil (31 March 2022 : INR Nil)]	15,340	-	6,645	8,984
- Balance with government authorities - CENVAT & GST receivable	-	3,225	-	22,111
- Security deposits	200	-	-	-
- Advance to vendors	-	7,125	-	11,961
	15,540	14,199	6,645	46,120

13 Inventories

(Valued at lower of cost and net realisable value)

	As at 31 March 2023	As at 31 March 2022
Stores and spares	58,197	75,284
	58,197	75,284

14 Trade receivables (refer note 27)

(Unsecured, considered good)

	As at 31 March 2023	As at 31 March 2022
Secured Considered good	-	-
Unsecured Considered good	2,03,266	2,66,854
Doubtful	-	-
	2,03,266	2,66,854

31 March 2023	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	59,249	68,272	11,461	39,306	12,489	12,489	2,03,266
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	59,249	68,272	11,461	39,306	12,489	12,489	2,03,266

31 March 2022	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,29,534	1,511	53,692	12,369	16,631	53,118	2,66,854
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	1,29,534	1,511	53,692	12,369	16,631	53,118	2,66,854

15 Cash and bank balances

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current account	4,327	16,384
- deposits having original maturity upto three months	5,000	10,000

Cash and cash equivalents

Cash on hand	16	5
	9,343	26,389

Bank Balances other than above

15A - Deposits with original maturity of more than 3 months but less than 12 months	36,499	-
	36,499	-

16 Other current assets

(Unsecured, considered good)

From parties other than related parties

Service Exports from India Scheme Receivable (refer note 34)	46,125	46,125
Interest accrued on bank deposits	421	-
Security deposits	1,840	1,812

From related parties (refer note 28)

Group receivable	-	382
	48,386	48,319

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
17 Revenue from operations		
Sale of services		
Container handling charges	7,22,023	6,81,379
Other operating revenue		
Sale of scrap	1,235	743
	<u>7,23,258</u>	<u>6,82,122</u>
18 Other income		
Interest Income		
- Interest income on term Deposits with Banks	1,410	1,494
- Interest of Income Tax Refund	679	-
-Interest Income on delayed Payment on account of Conciliation	-	25,474
Sundry Balance Written Back	109	-
	<u>2,198</u>	<u>26,968</u>
19 Employee benefits expense		
Salaries, wages and bonus	67,335	59,096
Contribution to provident and other funds (refer note 26(i))	4,642	4,335
Gratuity (refer note 26(ii))	2,562	1,010
Compensated absences (refer note 26(iii))	868	237
Staff welfare expenses	3,703	4,812
	<u>79,110</u>	<u>69,490</u>
20 Finance costs		
Interest on term loans	6,509	9,736
Interest on excess GST claimed in earlier years towards sale of scrip	6,774	-
	<u>13,283</u>	<u>9,736</u>
21 Depreciation and amortisation expenses		
Depreciation of Property, plant and equipment (refer note 10)	1,20,441	98,039
Amortisation of Intangible assets (refer note 11)	-	122
	<u>1,20,441</u>	<u>98,161</u>
22 Other Expenses		
Power and fuel	28,734	53,696
Equipment hire charges (refer note 29)	2,53,339	2,41,511
Rent (refer note 29)	408	2,596
Lashing/ unlashng charges	22,102	19,422
Royalty (refer note 28)	21,661	20,441
Repairs and maintenance - others	1,35,654	2,91,913
Insurance	7,468	5,943
Rates and taxes	3,352	717
Travelling and conveyance expenses	9,131	10,236
Legal and professional charges	14,965	9,768
Payment to auditors' (refer note 23)	498	446
Foreign exchange Loss	664	31
Loss on Sale of Assets	8	-
Interest expense towards arbitration settlement	1,516	-
Excess income booked earlier on sale of scrips of 17-18 and 18-19	10,945	-
Miscellaneous expenses	16,213	25,201
	<u>5,26,658</u>	<u>6,81,921</u>
23 Payment to auditors' (excluding goods and services tax)		
As Auditors:		
- Statutory audit	455	432
- Other services and out of pocket expenses	43	14
	<u>498</u>	<u>446</u>

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
24 Expenditure in foreign currency (on accrual basis)		
Royalty	21,661	20,441
Travel and Conveyance	220	149
	21,881	20,590

25 Contingent liabilities and commitments

	As at 31 March 2023	As at 31 March 2022
	-	-

(i) Arbitration -1

Arbitration completed on 7th September 2022 with conciliation agreement.

(ii) Arbitration -2

Kolkata Port has written to PSA Kolkata agreeing for the mutual settlement on 2nd Arbitration.

Both PSA Kolkata and Kolkata Port will withdraw the claims and close the arbitration proceedings by way of amicable settlement with the liberty to file fresh proceedings in the event of any future breach of contract by either party of the contract. The tribunal agreed and issued order terminated the arbitration without any cost to both the parties.

(iii) Upon the commencement of the services under the Service Agreement, some disputes arose due to which BKCT by its notice dated November 12, 2018 terminated the Service Agreement under the relevant clause of the Service Agreement. Being aggrieved by the said termination by BKCT, "Karunya Overseas & Technical Services Pvt Ltd" (KOTS) addressed a letter dated January 20, 2019 to BKCT for an amicable settlement of the dispute under clause 13.1 of the Service Agreement. However, in June 2019 KOTS filed an Application for Appointment of Arbitrator under Section 11(5) of the Arbitration Act before the Hon'ble High Court of Bombay at Goa ("the said Application"). An affidavit-in-reply has also been filed on behalf of BKCT inter-alia challenging the jurisdiction of the High Court of Bombay at Goa as the Service Agreement provides exclusive jurisdiction to the courts of Mumbai. Further, the Applicant has also filed a Rejoinder on behalf of the Applicant.

Thereafter, KoTS filed three applications under the provisions of section 18(1) of The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Applications") before the Micro Small Medium Enterprise ("the MSME Council") wherein KoTS has claimed from BKCT an amount of Rs. 1,50,11,302 (Rupees One Crore Fifty Lakhs Eleven Thousand Three Hundred and Two only), Rs. 24,78,804/- (Rupees Twenty-Four Lakhs Seventy-Eight Thousand Eight Hundred and Four only) and Rs. 2,15,24,752 (Indian Rupees Two Crore Fifteen Lakhs Twenty-Four Thousand Seven hundred and Fifty-Two only) respectively.

Thereafter, BKCT also filed Applications for Dismissal of the three MSME Applications on the grounds that the MSME Applications filed by KoTS are not maintainable.

Thereafter, BKCT has submitted written arguments before the Court on 15 July 2022.

On the last date of the hearing on 11 November 2022, the MSME council required clarification that earlier arbitration invoked by KOTS has been closed, BKCT replied stating that there is a correspondence from KOTS that they do not wish to pursue the arbitration and deemed it fit recourse under the special statute before MSME council.

Accordingly, the MSME Council has requested the Company to file the letter which has been done. The matter is reserved for orders. None appeared for KOTS on the last date of hearing on 11th Nov 2022. Hearing was held on June 16, 2023 and the Counsel appeared on behalf of Bharat Kolkata Container Terminals Pvt. Ltd. The technical member of MSME who was present stated that the matter was listed to seek clarification on whether any arbitration proceedings had commenced, BKCT advocate submitted that the matter pertained to the Council which is not having jurisdiction and that the application for dismissal was filed and is pending orders.

The MSME took note of the same and stated that the next date will be intimated in due course

(iv) Other commitments

In accordance with the Export Promotion Capital Goods Scheme (EPCG), import of capital goods was made duty free subject to condition that the Company fulfilled a specified amount of export obligation INR 2,223,580,376 (31 March 2022 INR 1,923,840,970) within the stipulated time period. As of March 31, 2023, the obligation for INR 113,583,767 had not been fulfilled; it was then fulfilled in the month of June 2023.

26 Employee Benefits

(i) Defined Contribution to Provident and Superannuation Funds

The Company makes contributions to Provident Fund and Employee State Insurance Scheme which are defined contribution plans, for qualifying employees. Such contribution amounted to INR 4,641,642 (31 March 2022: INR 4,334,846) during the year.

(ii) Defined Benefit Plans in respect of Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The amount recognized as an expense in the statement of profit and loss for the year towards the gratuity benefits is INR 2,386,042 (31 March 2022: INR 1,009,573).

The amounts recognized in the Company's financial statements as at the year end are as follows:

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022		
Amounts recognized in the balance sheet in respect of gratuity				
Present value of the unfunded defined benefit obligation at the end of the year	6,578	4,811		
Expenses recognized in the statement of profit and loss				
Current Service cost	893	761		
Interest on Defined Benefit Obligations	351	279		
Net Actuarial (Gain)/Loss recognized during the year	1,318	(30)		
Net Gratuity Cost	<u>2,562</u>	<u>1,010</u>		
Reconciliation of present value of the obligation:				
Opening Defined Benefit Obligations	4,811	4,044		
Current Service Cost	893	761		
Interest Cost	351	279		
Actual benefit payments/ Contribution	(795)	(242)		
Actuarial (Gain)/Loss	1,318	(30)		
Closing defined benefit obligation	<u>6,578</u>	<u>4,811</u>		
Principal Actuarial Assumptions at the Balance Sheet Date				
Discount rate	7.22%	7.30%		
Salary escalation rate	6.00%	5.00%		
Attrition rate	2%	5% to 1%		
Mortality table	100% of ILAM (2012-2014) Ult. published table of Mortality Rates approved by IRDA	100% of ILAM (2012-2014) Ult. published table of Mortality Rates approved by IRDA		
Present value of defined benefit obligation recognized in the Balance Sheet as at respective year ends and experience adjustments:				
	As at	As at		
	31 March 2023	31 March 2022		
	As at	As at		
	31 March 2021	31 March 2020		
Defined Benefit Obligation at the end of the period	6,578	4,811	4,044	3,479
Experience gain/(loss) adjustment arising on plan liabilities	1,318	(30)	(382)	611
Actuarial gain/(loss) due to change in assumptions	-	-	-	-

(iii) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The liability is provided based on the actuarial valuation report. The defined benefit obligation of compensated absences in respect of the employees of the Company as at 31 March 2023 is INR 867,603 (31 March 2022: INR 236,746). The short-term defined benefit obligation of compensated absences as at 31 March 2023 included in the above stands at Rs. 31,254 (31 March 2022: INR 38,270). Accordingly, an amount of INR 867,603 (31 March 2022: INR 236,746) has been recognized in the statement of profit and loss on account of provision for leave wages during the year.

(iv) Notes

- Gratuity is payable to all eligible employees of the Company on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.
- The discount rate is based on the prevailing market yields Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- The Company's liability on account of gratuity and compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable.

27 Segment reporting

The Company is engaged exclusively in container handling operations at Kolkata Dock System (KDS) for Kolkata Port Trust, and accordingly has only one reportable business and geographical segment. Hence, the financial statements are reflective of the information required by Accounting Standard 17 on 'Segment Reporting'.

28 Related party disclosures

a) Names of related parties and nature of relationship are as follows:

Nature of relationship	Name of the related party
Ultimate Holding Company	Temasek Holdings (Private) Limited
Intermediate Holding Company	PSA International Pte Ltd PSA India Pte Ltd
Holding Company	PSA Bharat Investments Pte. Ltd.
Fellow Subsidiaries	Chennai International Terminals Private Limited Bharat Mumbai Container Terminals Private Limited PSA Sical Terminals Limited Sunport Cargo Solutions Pvt Ltd PSA Sines - Terminais De Cintentores Sa

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

b) Transaction with related parties:				
I. Transactions during the year		Nature of relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Royalty				
PSA International Pte Ltd		Intermediate Holding Company	21,661	20,441
Reimbursement of Expenses				
PSA Sines - Terminais De Cintentores Sa		Fellow Subsidiaries	167	-
Reimbursement of Expenses				
Chennai International Terminals Private Limited		Fellow Subsidiaries	26	192
Reimbursement of Expenses				
Bharat Mumbai Container Terminals Private Limited		Fellow Subsidiaries	194	157
Reimbursement of Salary				
PSA Sical Terminals Limited		Fellow Subsidiaries	387	94
Support Service				
Sunport Cargo Solutions Pvt Ltd		Fellow Subsidiaries	4,741	2,280
II. Year end balances			As at 31 March 2023	As at 31 March 2022
Accrual for expenses				
PSA International Pte Ltd		Intermediate Holding Company	19,495	56,441
Chennai International Terminals Private Limited		Fellow Subsidiaries	26	192
Bharat Mumbai Container Terminals Private Limited		Fellow Subsidiaries	-	-
PSA Sical Terminals Limited		Fellow Subsidiaries	-	190
Sunport Cargo Solutions Pvt Ltd		Fellow Subsidiaries	-	147
* The above excludes the gratuity and compensated absence which is computed for the Company as a whole.				
29	Operating leases			
The Company's significant leasing arrangements are in respect of operating leases for office premises and equipment/vehicle hire. These leasing arrangements which are not non-cancellable, range between 3 years and 5 years generally, or longer, and are renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the statement of profit and loss amounting to INR 407,787 (31 March 2022: INR 2,595,785) and Equipment hire and other related charges amounting to INR 253,338,516 (31 March 2022:- INR 241,510,559) (refer note 22).				
30	Earnings Per Equity Share		For the year ended 31 March 2023	For the year ended 31 March 2022
	Profit for the year	(A)	(14,036)	(1,50,619)
	Calculation of weighted average number of equity shares			
	Number of equity shares outstanding at the beginning and end of the year		7,45,09,802	7,45,09,802
	Weighted-average Number of Equity Shares outstanding during the year (based on date of issue of shares)	(B)	7,45,09,802	7,45,09,802
	Basic and diluted earnings per share (INR)	(A/B)	(0.19)	(2.02)
	Nominal Value of Shares (INR)		10.00	10.00

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

31 Deferred tax

	As at 31 March 2023	As at 31 March 2022
<i>Deferred tax liabilities</i>		
Excess of depreciation/ amortization on property, plant and equipment an under income-tax law over depreciation/ amortization provided in accounts	(167)	(14,296)
Deferred tax liability	<u>(167)</u>	<u>(14,296)</u>
<i>Deferred tax assets</i>		
Provision for employee benefits	2,150	1,610
Preliminary expenses under section 35D/35 DD of Income Tax Act, 1961	-	174
Expenses disallowed u/s 40(a)(i) of Income-tax Act, 1961	2,350	2,229
Others	-	-
Deferred tax assets	<u>4,500</u>	<u>4,013</u>
Net Deferred tax (liability)/assets	4,333	(10,284)
Net Deferred tax (liability)/assets recognized	Nil	Nil

The operations of the Company qualify for deduction under Section 80 IA of the Income-Tax Act, 1961 for a period of 10 years. The Company would exercise its option to claim deduction under this section in the subsequent years. The Company has net deferred tax liability mainly arising out of temporary differences which are expected to be reversed within the tax holiday period. Accordingly, there is no deferred tax liability or asset recognised in the financial statements for the year ended 31 March 2023.

32 Dues to Micro Enterprises & Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small & Medium enterprises. On the basis of information and records available with the management, 7 Nos of creditors of the Company are registered under the Micro Small and Medium Enterprises Development Act, 2006.

	For the year ended 31 March 2023	For the year ended 31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the period/year:		
- Principal	2,004	2,749
- Interest	Nil	Nil
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).	Nil	Nil
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

Bharat Kolkata Container Terminals Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

(All amounts are Indian Rupees in thousands unless otherwise stated)

33 a. Ratios

Sr No	Ratio	in times/%	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Remarks
a)	Current Ratio	in times	Current Assets	Current Liabilities excluding current maturities of long-term borrowings	3.38	2.29	The current ratio has increased as a result of a decline in trade payables.
b)	Debt – Equity	in times	Non - Current Borrowings + Current Borrowings	Total Equity	-	0.15	Due to repayment of loan in the current year, there is no debt in the current period.
c)	Debt service coverage	in times	Profit before Tax + Interest (Net) + Provision for impairment of investments + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt]]	0.45	(0.39)	Due to excess Repair & Maintenance expenses there was loss in previous year.
d)	Return on Equity	in %	Profit/(Loss) after tax	Average Total Equity	-2%	-20%	Due to low financial performance in the current as well as previous year.
e)	Inventory Turnover*		NA	NA	NA	NA	
f)	Trade Receivable Turnover	in times	Revenue from operations	Average Trade Receivables	3.08	2.83	Higher revenue as compared to previous year.
g)	Trade Payable Turnover	in times	Total expenses - Depreciation - Interest - Payrol Cost	Average Trade Payables	3.64	4.51	Lower trade payable.
h)	Net Capital Turnover (Working Capital Turnover)	in times	Net Sales	Working Capital i.e (Avg Current Assets - Avg Current Liabilities)	2.77	2.24	Due to increase in operating efficiency in the current period.
i)	Net Profit Ratio	in %	Profit/(Loss) after tax	Total Income	-2%	-22%	Due to loss in the current year.
j)	Return on capital employed	in %	EBIT	Avg Equity + Avg Debt + Avg Leases	0%	-16%	Due to loss in the current year.
k)	Return on Investment	in %	NA	NA	NA	NA	

b) With reference to Schedule 16 - Borrowings of financial statements for the year ended March 31, 2023, we confirm that all charges created/ satisfied during FY 2022-23 have been registered with the Ministry of Corporate Affairs within statutory due date.

c) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) any funds, that have been to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

d) The Company has not received any funds from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

