

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Chennai International Terminals Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of **Chennai International Terminals Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss, and Cash Flows Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the 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.

Emphasis of matter

4. We draw your attention to Note 28(A)(b)(i) to the financial statements regarding the uncertainty of outcome of the legal matter relating to tariff rates, and the likely impact and adjustments, if any, required to be made to the financial statements in case an adverse ruling is made against the Company. Accordingly, no provision has been recognised for the estimated amount of contingent liability aggregating to INR 9,035.80 lakhs as at March 31, 2023 and disclosed in Note 28(A)(b)(i) to the financial statements.

Our opinion is not modified in respect of this matter.

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Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

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Other information

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

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.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. 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.

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9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. 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, except that the backup of books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year.

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- (c) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (d) In our opinion, the matter described in Emphasis of Matter section of our report, may have an adverse effect on the functioning of the Company.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 12(b) above that the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India.
- (g) 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 A”.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements.
 - ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2023.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note – 37(g) to the financial statements);

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- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note - 37(g) to the financial statements); and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
13. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number:012754N/N500016

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Suresh S
Partner
Membership Number: 200928
UDIN: 23200928BGYHPQ7307

Place: Chennai
Date: August 29, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of Chennai International Terminals Private Limited on the financial statements for the year ended March 31, 2023

Page 1 of 2

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

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

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

3. 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of Chennai International Terminals Private Limited on the financial statements for the year ended March 31, 2023

Page 2 of 2

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. 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.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse Chartered Accountant LLP**
Firm Registration Number:012754N/N500016

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Suresh S

Partner

Membership Number: 200298

UDIN: 23200928BGYHPQ7307

Place: Chennai

Date: August 29, 2023

Annexure B to Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Chennai International Terminals Private Limited on the financial statements for the year ended March 31, 2023

Page 1 of 4

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 9 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii),(iii)(a),(iii)(b),(iii)(c),(iii)(d),(iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

Annexure B to Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Chennai International Terminals Private Limited on the financial statements for the year ended March 31, 2023

Page 2 of 4

- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 28(A)(d) to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount demanded (Rs. in lakhs)	Amount deposited under dispute. (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	288.15	83.21	September 2009 to March 2013.	Customs, Excise and Service Tax Appellate Tribunal.
The Income Tax Act, 1961	Income Tax	17.97	-	FY 2017-18	Commissioner of Income Tax (Appeals)

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us, and the information and explanations given to us, the Company has not obtained any term loans during the year.
- (d) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

Annexure B to Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Chennai International Terminals Private Limited on the financial statements for the year ended March 31, 2023

Page 3 of 4

- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard 18 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system is commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is 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 Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

Annexure B to Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Chennai International Terminals Private Limited on the financial statements for the year ended March 31, 2023

Page 4 of 4

- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 38 to the financial statements), 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 Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**
(Firm Registration Number: 012754N/N500016)

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Place: Chennai
Date: August 29, 2023

Suresh S
Membership Number 200298
UDIN: 23200928BGYHPQ7307

Balance Sheet as at March 31, 2023

(All amounts in INR Lakhs, unless otherwise stated)

EQUITY AND LIABILITIES	Notes	As at March 31, 2023	As at March 31, 2022
Shareholders' funds			
Share capital	3	35,250.00	35,250.00
Reserves and surplus	4	(23,183.96)	(22,792.93)
		12,066.04	12,457.07
Non-current liabilities			
Long-term borrowings	5	-	28,649.57
Long-term provisions	6	14.89	20.05
		14.89	28,669.62
Current liabilities			
Short-term borrowings	5	31,060.26	-
Trade payables	7		
- Total outstanding dues of micro enterprises and small enterprises		47.17	58.22
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,884.38	3,325.24
Other current liabilities	8	5,355.20	6,243.73
Short-term provisions	6	17.93	2.07
		40,364.94	9,629.26
TOTAL		52,445.87	50,755.95
ASSETS			
Non current assets			
Property, plant and equipment and Intangible assets			
Property, plant and equipment	9	35,739.98	38,068.29
Intangible assets	10a	768.48	841.34
Intangible assets under development	10b	63.25	12.27
		36,571.71	38,921.90
Deferred tax assets (net)	35	-	-
Long-term loans and advances	11	563.94	542.32
Other Non-current Assets	12	1,516.70	1,394.51
		38,652.35	40,858.73
Current assets			
Inventories	13	625.56	548.51
Trade receivables	14	296.96	297.80
Cash and bank balances	15	9,770.38	5,270.64
Short-term loans and advances	11	1,024.27	1,748.05
Other current assets	16	2,076.35	2,032.22
		13,793.52	9,897.22
TOTAL		52,445.87	50,755.95

The accompanying notes are an integral part of these financial statements

This is the Balance Sheet referred to our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

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Suresh S

Partner

Membership No: 200928

For and on behalf of the Board of Directors

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Director

DIN: 09565592

Place : Mumbai

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AMIRAPU

Suresh N Amirapu

Director

DIN: 00792915

Place : Chennai

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C Deepkishore Reddy

CEO

Place : Chennai
Date : August 29, 2023Place : Chennai
Date : August 29, 2023

Statement of Profit and loss for the year ended March 31, 2023

(All amounts in INR Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
Revenue from operations	17	31,172.81	31,038.32
Other income	18	389.89	243.93
Total Income		31,562.70	31,282.25
Expenses			
Revenue share to port trust		14,709.78	14,962.94
Employee benefits expense	19	1,085.66	1,248.20
Finance cost	20	2,771.22	1,853.72
Depreciation and amortisation expense	21	4,817.23	4,925.64
Other expenses	22	8,569.84	8,919.42
Total expenses		31,953.73	31,909.92
(Loss) before tax		(391.03)	(627.67)
Tax expense			
Current Tax		-	-
Deferred Tax		-	-
(Loss) for the year		(391.03)	(627.67)
(Loss) per Equity share:			
[Nominal value per share INR 10 (March 31, 2022: INR 10)]			
Basic and diluted (INR)	34	(0.11)	(0.18)

The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and loss referred to our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

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Suresh S
Partner
Membership No: 200928

Place : Chennai
Date : August 29, 2023

For and on behalf of the Board of Directors

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Director
DIN: 09565592
Place : Mumbai

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C Deepkishore Reddy
CEO

Place : Chennai
Date : August 29, 2023

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Suresh N Amirapu
Director
DIN: 00792915
Place : Chennai

Cash flow statement for the year ended March 31, 2023

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flows from operating activities		
Profit before tax	(391.03)	(627.67)
Adjustments for:		
Depreciation and amortisation expense	4,817.23	4,925.64
Finance costs	2,438.16	1,535.48
Interest income from banks	(296.21)	(150.94)
Interest income from income tax refund	(48.26)	(2.58)
Operating profit before working capital changes	6,519.89	5,679.93
(Increase) in inventories	(77.05)	(6.19)
Decrease in trade receivables	0.84	408.62
Increase/(decrease) in current liabilities and provisions	531.23	(172.24)
(Increase)/decrease in loans and advances and other assets	601.59	(898.14)
Cash generated from operations	7,576.50	5,011.98
Income tax (paid)/ refund received (net)	27.17	(92.12)
Net cash generated from operating activities	7,603.67	4,919.86
B Cash flow from investing activities		
Purchase of property, plant and equipment	(1,529.88)	(1,233.81)
Bank deposits (net) (having maturity of more than three months)	712.00	(117.00)
Interest received	252.08	159.09
Interest on income tax refund	48.26	2.58
Net cash used in investing activities	(517.54)	(1,189.14)
C Cash flow from financing activities		
Interest paid	(1,874.39)	(1,522.75)
Repayment of long term borrowings	-	(1,987.82)
Net cash used in financing activities	(1,874.39)	(3,510.57)
Net increase in cash and cash equivalents	5,211.74	220.15
Cash and cash equivalents at the beginning of the year	2,358.64	2,138.49
Cash and cash equivalents at the end of the year	7,570.38	2,358.64

Cash flow statement for the year ended March 31, 2023
 (All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Notes to cash flow statement		
1 Components of cash and cash equivalents		
Cash on hand	0.93	0.20
Balances with banks		
- on current accounts	119.45	280.44
- on deposit accounts (with original maturity of 3 months or less)	7,450.00	2,078.00
	7,570.38	2,358.64

2 The cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements

This is the Cash Flow statement referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
 Firm Registration Number: 012754N/N500016

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Suresh S
 Partner
 Membership No: 200928

For and on behalf of the Board of Directors

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Gobu Selliaya
 Director
 DIN: 09565592
 Place : Mumbai

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 SURESH NARAYANA
 AMIRAPU
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Suresh N Amirapu
 Director
 DIN: 00792915
 Place : Chennai

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C Deepkishore Reddy
 CEO

Place : Chennai
 Date : August 29, 2023

Place : Chennai
 Date : August 29, 2023

1 Background

Chennai International Terminals Private Limited (“the Company”) was incorporated on December 1, 2006. The Company has entered into a Build Operate and Transfer (“BOT”) License agreement with the Chennai Port Trust (“CPT”) for 30 years with effect from March 7, 2007 to build, operate and transfer the second container terminal at Chennai Port. The Company started its commercial operations on September 22, 2009.

2 Significant accounting policies**a) Basis of preparation of financial statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products 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.

Going concern

The Company has incurred recurring losses in the current year and in the previous years which has significantly eroded the net-worth. The Company is a subsidiary of PSA International Pte Limited. The Company has received a long term loan from its holding Company . Management believes that while the disputes with TAMP (Refer note 28(b)) is currently uncertain, the Company would be able to establish and maintain profitable operations in the long run. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

b) Use of estimates

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

c) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost of acquisition or construction less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the tangible asset to its working condition for its intended use. Borrowing costs directly attributable to acquisition or construction of qualifying assets for the period to the completion of installation or construction of such assets respectively are capitalised. Cost of assets not ready for intended use, as on balance sheet date, is shown as capital work in progress. Advance given towards acquisition of Property, plant and equipment outstanding at each balance sheet date are disclosed as long terms loans and advances. Also refer note on foreign currency transaction Note 2 (j).

d) Depreciation and amortisation

Depreciation is provided on the original cost on a straight line method over the estimated useful lives of the assets, based on technical evaluation done by management’s expert taking into the nature of the assets, their estimated period of use and the operating conditions. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate. Pursuant to this policy, based on the estimated useful life of the assets, depreciation is provided in respect of certain assets at the rates which are different from the corresponding rates prescribed in Schedule II to the Companies Act, 2013. The estimated useful life of various tangible assets are as under:

Asset Class	Useful lives (in years) - as per Companies Act, 2013	Useful lives (in years) - as estimated by the company
Building	30 - 60	10-27
Plant and machinery	10 - 20	5 - 21
Electrical installation	10	15
Computers	3- 6	3-6
Office equipment	5	3 - 20
Furniture and fixtures	10	5 - 16
Vehicles	10	11

All assets individually costing Rs 5,000 or less are depreciated 100% in the year of purchase. Pro-rata depreciation is provided for all assets purchased / sold during the year. Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower.

2 Significant accounting policies (continued)

e) Intangible assets and amortisation

Intangible assets are being recognised if the Company is able to control the future economic benefits attributable to the assets which are expected to flow to the Company, can restrict the access to others and also the cost of the same can be measured reliably.

Intangible assets are amortised as under:

- i) Initial license fee in respect of the BOT license paid to CPT is stated at cost and is amortised over the license period of 30 years.
- ii) Land License fee paid to CPT is stated at cost and amortised over the license period of 30 years.
- iii) Software is amortised over a period of 3 years except for Terminal operating software, which is amortised over a period of five years.

f) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU of the asset. If such recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

g) Inventory

Inventory consists of stores and spare parts, which are valued at cost or net realisable value whichever is lower. Cost is determined using first in first out (FIFO) method and includes purchase cost, 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.

h) Revenue recognition

Revenue from container handling, wharfage and other related services are recognized on completion of such services. Revenues are recognised net of discounts, rebates and Goods and Services Tax.

Interest income is recognised on a time proportion basis.

i) Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of profit and loss over the lease term.

j) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign currency transactions settled during the period are recognised in the statement of profit and loss for the period, except that exchange differences arising on a long term foreign currency monetary liability relating to acquisition of depreciable Property, plant and equipment are adjusted in the carrying amount of the related Property, plant and equipment in accordance with the option exercised by the Company retrospectively as per amendment to Companies (Accounting Standard) Rules, 2006 through notification(s) of Ministry of Corporate Affairs dated March 31, 2009.

Pursuant to the notification of the Ministry of Corporate Affairs issued on 29 December 2011, the Company has decided to exercise the irrevocable option granted in Para 46A of Accounting Standard 11 under the said notification. Accordingly, the exchange differences arising on all long term monetary items in respect of accounting period commencing on or after April 1, 2011:

- a. so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of such assets; and
- b. in cases other than those falling under (a) above are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA) and amortised over the balance period of long-term monetary asset/liability but not beyond March 31, 2023.

k) Employee benefits

Short-term employee benefits

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

2 Significant accounting policies (continued)

k) Employee benefits (continued)

Post-employment benefits

Defined contribution plans:

A defined contribution plan is post-employment plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

(i) Provident Fund: Eligible employees receive benefit from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company's contribution to the Employees' Provident Fund scheme maintained by the Central Government is charged to the statement of profit and loss.

Defined benefit plans:

(ii) Gratuity: The Company's provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Company's Policy. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The company's liability is actuarially determined by an independent actuary (Using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the statement of Profit and Loss in the year in which they arise. The Gratuity plan is funded by way of annual contribution to a fund managed by Life Insurance Corporation of India.

Other long-term employee benefits

(iii) Compensated absences: The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the Projected Unit Credit Method and is discounted to its present value and the fair value of any related assets is deducted. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

l) Taxation

Income-tax expense comprise current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting that tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the 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 realized. Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

m) Earnings per share

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

n) Provision, contingent liability and contingent assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

o) 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.

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

3 Share capital

	As at March 31, 2023	As at March 31, 2022
(a) Authorized		
360,000,000 (March 31, 2022: 360,000,000) equity shares of INR 10 each	36,000.00	36,000.00
	36,000.00	36,000.00
Issued, subscribed and paid up		
352,500,000 (March 31, 2022: 352,500,000) equity shares of INR 10 each, fully paid up	35,250.00	35,250.00
	35,250.00	35,250.00

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
A. Equity share capital				
Equity shares of INR 10 each fully paid up				
At the beginning of the year	352,500,000	35,250.00	352,500,000	35,250.00
At the end of the year	352,500,000	35,250.00	352,500,000	35,250.00

(c) Rights, preferences and restrictions attached to shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) 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.

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.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	Amount	% of total shares in the class	Amount	% of total shares in the class
Equity share capital				
Equity shares of INR 10 each fully paid up				
352,499,999 shares (March 31, 2022: 352,499,999) Equity Shares of INR 10 each held by PSA International Pte Limited, the Holding Company	35,250.00	99.99%	35,250.00	99.99%

e) Details of shares held by promoters

	As at March 31, 2023		As at March 31, 2022	
	Amount	% of total shares in the class	Amount	% of total shares in the class
352,499,999 shares (March 31, 2022: 352,499,999) Equity Shares of INR 10 each held by PSA International Pte Limited, the Holding Company.	35,250.00	99.99%	35,250.00	99.99%

(f) Shares held by holding company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each fully paid up				
PSA International Pte Limited, the holding company	352,499,999	35,250.00	352,499,999	35,250.00

4 Reserves and surplus

	As at March 31, 2023	As at March 31, 2022
Surplus in the statement of profit and loss		
Balance as at the beginning of the year	(22,792.93)	(22,165.26)
Add : Loss for the year	(391.03)	(627.67)
Balance as at the end of the year	(23,183.96)	(22,792.93)

5 Borrowings

	Long - term		Short - term	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
External commercial borrowing from PSA International Pte Limited, the Holding Company	-	28,649.57	-	-
Current maturities of Long-term borrowings	-	-	31,060.26	-
	<u>-</u>	<u>28,649.57</u>	<u>31,060.26</u>	<u>-</u>

Terms of repayment of external commercial borrowing from the holding company and the nature of security

The Company has obtained external commercial borrowing from the PSA International Pte Ltd, the Holding company, wherein the Company can drawdown ECB upto USD 40,000,000. The facility carries an interest rate of 6 months USD LIBOR rate plus applicable margin. The Company shall repay the facility in full to the lender by December 22, 2023. As at March 31, 2023, the Company has drawdown an amount of USD 37,800,000 (As at March 31, 2022 - USD 37,800,000). The facility carried an interest rate in the range of 5.35% - 10.14% (Previous Period: 5.16% - 5.35%) for the year ended March 31, 2023.

External commercial borrowings are secured by a first ranking pari - passu charge, along with Chennai Port Trust, on the quay cranes and rubber tyred gantry assets acquired during the year 2012.

Additional regulatory information:

There are no charges or satisfaction of charges, which are yet to be registered with Registrar of Companies beyond the statutory period.

6 Provisions

	Long - term		Short - term	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
Provision for Gratuity (Refer note 30 (b) (1))	-	-	17.43	1.44
Provision for Compensated absences (Refer note 30 (b) (2))	14.89	20.05	0.50	0.63
	<u>14.89</u>	<u>20.05</u>	<u>17.93</u>	<u>2.07</u>

7 Trade payables

	Current	
	As at March 31, 2023	As at March 31, 2022
-Total outstanding dues of micro enterprises and small enterprises (Refer note 36)	47.17	58.22
-Total outstanding dues of creditors other than micro enterprises and small enterprises	3,884.38	3,325.24
	<u>3,931.55</u>	<u>3,383.46</u>

Trade payables Ageing Schedule

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i) MSME	47.17 (58.22)	-	-	-	-	-	47.17 (58.22)
(ii) Other than MSME	1,769.51 (1,189.28)	55.89 (298.02)	9.51 (5.14)	32.58 (13.13)	-	-	1,867.49 (1,505.57)
Disputed dues							
(i) MSME	-	-	-	-	-	-	-
(ii) Other than MSME	1,863.15 (1,665.93)	-	-	-	-	153.74 (153.74)	2,016.89 (1,819.67)

(Figures in bracket denote Previous Year figures)

8 Other current liabilities

Interest accrued and due on borrowings	-	395.27
Interest accrued but not due on borrowings	1,139.63	180.59
Capital creditors	433.60	1,858.34
Advances from customers	428.74	616.91
Deposits from customers	606.02	561.11
Rebate and commission payable	1,982.77	2,153.21
Statutory liabilities (including Tax Deducted at Source, Provident fund, ESI)	593.73	300.62
Employee benefits payable	123.84	173.77
Retention money payable	46.87	3.91
	<u>5,355.20</u>	<u>6,243.73</u>

CHENNAI INTERNATIONAL TERMINALS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)



9 Property, Plant and Equipment

Particulars	Buildings	Plant and machinery	Electrical installation	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Gross block									
Balance as at April 1, 2021	36,700.21	42,752.89	1,348.68	756.78	196.27	145.74	47.74	18.24	81,966.55
Additions during the year	12.63	2,980.33	-	18.12	12.41	2.10	-	-	3,025.59
Disposal during the year	-	-	-	-	-	-	-	-	-
Other adjustments - exchange difference *	-	1,013.99	-	-	-	-	-	-	1,013.99
	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	36,712.84	46,747.21	1,348.68	774.90	208.68	147.84	47.74	18.24	86,006.13
Additions during the year	-	0.78	-	90.44	22.42	1.31	39.23	-	154.18
Disposal during the year	-	-	-	-	-	-	-	-	-
Adjustments:									
Exchange differences*	-	2,410.69	-	-	-	-	-	-	2,410.69
Others	-	(166.06)	-	-	-	-	-	-	(166.06)
Balance as at March 31, 2023	36,712.84	48,992.62	1,348.68	865.34	231.10	149.15	86.97	18.24	88,404.94
Accumulated depreciation									
Balance as at April 1, 2021	15,489.20	25,727.30	1,099.20	573.53	88.51	127.35	22.39	18.24	43,145.72
Depreciation for the year	1,361.92	3,235.80	95.35	78.11	13.68	3.39	3.87	-	4,792.12
Disposal during the year	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	16,851.12	28,963.10	1,194.55	651.64	102.19	130.74	26.26	18.24	47,937.84
Depreciation for the year	1,360.98	3,170.25	94.63	75.87	16.19	3.59	5.61	-	4,727.12
Disposal during the year	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	18,212.10	32,133.35	1,289.18	727.51	118.38	134.33	31.87	18.24	52,664.96
Net block									
Balance as at March 31, 2022	19,861.72	17,784.11	154.13	123.26	106.49	17.10	21.48	-	38,068.29
Balance as at March 31, 2023	18,500.74	16,859.27	59.50	137.83	112.72	14.82	55.10	-	35,739.98

* The Company had opted to capitalize the exchange differences arising on long term foreign currency monetary liability relating to the acquisition of a depreciable capital asset in accordance with the notification dated December 29, 2011, read along with notification dated August 9, 2012, issued by Ministry of Corporate Affairs amending the Accounting Standard (AS) 11 "The effects of changes in foreign exchange rates". Accordingly a foreign exchange loss of INR 2410.69 (Previous period loss of INR 1013.99) has been adjusted during the current year.

Refer Note 5 for details of encumbrances on property, plant and equipment.

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

10a Intangible assets

Particulars	Initial license fee	Software	Land license Fee	Total
Gross block				
Balance as at April 1, 2021	1,000.00	751.32	714.25	2,465.57
Additions during the year	-	75.89	-	75.89
Disposal during the year	-	-	-	-
Balance as at March 31, 2022	1,000.00	827.21	714.25	2,541.46
Additions during the year	-	17.25	-	17.25
Disposal during the year	-	-	-	-
Balance as at March 31, 2023	1,000.00	844.46	714.25	2,558.71
Accumulated amortisation				
Balance as at April 1, 2021	477.23	717.16	372.21	1,566.60
Amortisation for the year	33.53	73.55	26.44	133.52
Disposal during the year	-	-	-	-
Balance as at March 31, 2022	510.76	790.71	398.65	1,700.12
Amortisation for the year	33.53	30.14	26.44	90.11
Disposal during the year	-	-	-	-
Balance as at March 31, 2023	544.29	820.85	425.09	1,790.23
Net Block				
Balance as at March 31, 2022	489.24	36.50	315.60	841.34
Balance as at March 31, 2023	455.71	23.61	289.16	768.48

10b Intangible assets under development ageing schedule:

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Project in progress as on March 31, 2023	63.25	-	-	-	63.25
Project in progress as on March 31, 2022	12.27	-	-	-	12.27

There are no projects in Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

11 Loans and advances	Long-term		Short-term	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<i>(Unsecured, considered good)</i>				
Balances with Government Authorities	-	-	-	721.87
	-	-	-	721.87
Advances with regulatory authorities	-	-	719.31	703.12
Advance to suppliers	-	-	-	-
-Capital advances	48.79	-	-	-
-Others	-	-	109.48	104.80
	48.79	-	828.79	807.92
Other loans and advances				
Advance Income Tax [Net of provision - Nil]	515.15	542.32	-	-
Prepaid expenses	-	-	195.48	218.26
	515.15	542.32	195.48	218.26
	563.94	542.32	1,024.27	1,748.05
			As at March 31, 2023	As at March 31, 2022
12 Other Non-current assets:				
<i>(Unsecured, considered good)</i>				
Security deposits				
Deposits with regulatory authorities			1,433.44	1,375.43
Other deposits			83.26	19.08
			1,516.70	1,394.51

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
13 Inventories		
<i>(Valued at the lower of cost and net realisable value)</i>		
Stores and spares	625.56	548.51
	625.56	548.51
14 Trade receivables		
Unsecured		
- Considered good	296.96	297.80
- Considered doubtful	9.27	9.27
Less: Provision for doubtful debts	(9.27)	(9.27)
Total	296.96	297.80

Trade Receivables Ageing Schedule:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
Considered Good	276.07	16.82	2.67	1.40	-	-	296.96
	(214.44)	(80.51)	(0.23)	(2.62)	-	-	(297.80)
Considered Doubtful	-	-	-	-	-	9.27	9.27
	-	-	-	-	-	(9.27)	(9.27)
Disputed Trade receivables							
Considered Good	-	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-	-

(Figures in bracket denote Previous Year figures)

	As at March 31, 2023	As at March 31, 2022
15 Cash and bank balances		
<i>Cash and cash equivalents</i>		
Cash on hand	0.93	0.20
Bank balances		
- In current accounts	119.45	280.44
- In deposit account (with original maturity of 3 months or less)	7,450.00	2,078.00
	7,570.38	2,358.64
<i>Other bank balances</i>		
- In deposit accounts		
Under Lien	-	-
Other Deposits	2,200.00	2,912.00
	2,200.00	2,912.00
	9,770.38	5,270.64
Details of bank balances/ deposits		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	7,450.00	2,078.00
Bank deposits due to mature within 12 months of the reporting date included under 'other bank balances'	2,200.00	2,912.00
	9,650.00	4,990.00
16 Other current assets		
<i>(Unsecured, considered good)</i>		
Interest accrued on fixed deposits	70.12	25.99
Export incentive receivable	2,006.23	2,006.23
	2,076.35	2,032.22

	For the year ended March 31, 2023	For the year ended March 31, 2022
17 Revenue from operations		
Sale of services		
Container handling charges, net of rebate	27,468.66	26,735.50
Other related charges	3,666.68	4,286.30
	31,135.34	31,021.80
Other operating revenue		
Scrap sales	37.47	16.52
	37.47	16.52
	31,172.81	31,038.32
18 Other income		
Interest income:		
- On Bank Deposits	296.21	150.94
- On Income Tax Refund	48.26	2.58
Insurance proceeds	-	42.22
Mandatory user charges	45.42	48.19
	389.89	243.93
19 Employee benefits expense		
Salaries, wages and bonus	874.71	1,074.74
Contribution to provident and other funds (Refer note 30 (a) below)	45.34	49.06
Gratuity (Refer note 30 (b) (1) below)	21.81	10.13
Staff welfare expenses	143.80	114.27
	1,085.66	1,248.20
20 Finance cost		
Interest:		
- on term loan	-	52.74
- on external commercial borrowings	2,438.16	1,482.74
- other related charges	333.06	318.24
	2,771.22	1,853.72
21 Depreciation and amortisation expense		
Depreciation on tangible assets (Refer note 9)	4,727.12	4,792.12
Amortisation of intangible assets (Refer note 10a)	90.11	133.52
	4,817.23	4,925.64
22 Other expenses		
Consumption of components and spares	410.98	543.68
Power and fuel	2,490.03	2,742.25
Equipment hire and other related charges	1,584.72	1,834.29
Container inspection and lashing charges	827.02	795.08
Commission	-	124.18
(net of reversal of excess provision: INR 158.92)		
Royalty	486.17	480.77
Rent	75.63	84.15
Land lease charges	1,411.95	1,322.73
Repairs and maintenance		
- Plant and machinery	112.12	78.06
- Others	307.75	207.19
Insurance	98.57	110.14
Rates and taxes	47.30	18.89
Travelling and communication expenses	137.02	124.46
Payment to auditors (Refer note 23)	16.61	16.75
Expenditure towards Corporate Social Responsibility (CSR Activities) (Refer note 22(b))	-	22.10
Legal and professional charges	199.23	138.97
Exchange loss on foreign transactions	132.58	26.91
Security expenses	82.26	101.94
Miscellaneous expenses	149.90	146.88
	8,569.84	8,919.42

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

		For the year ended March 31, 2023	For the year ended March 31, 2022	
22b Corporate Social Responsibility Expenditure				
Gross amount required to be spent by the company during the year		-	21.96	
Amount spent during the year on:		-	-	
(i) Construction/acquisition of any asset		-	-	
(ii) On purpose other than (i) above		-	-	
In cash spent towards for current years		-	22.10	
In Cash spent towards for earlier years		-	16.82	
Balance amount to be spent		-	-	
Note: There are no on-going projects during the year as well as at the year end.				
23 Payment to auditors (excluding Goods and service tax)				
Statutory audit		8.00	8.13	
Group audit		3.50	3.57	
Other matters		5.01	4.72	
Out of pocket expenses		0.10	0.33	
		16.61	16.75	
24 CIF value of imports				
Components and spares		83.05	105.49	
		83.05	105.49	
25 Consumption of imported and indigenous components and spares				
	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount	%	Amount	%
Imported	80.47	20%	100.64	19%
Indigenous	330.51	80%	443.04	81%
	410.98	100%	543.68	100%
26 Expenditure in foreign currency (on accrual basis)				
Interest		2,438.16	1,482.74	
Repairs and Maintenance (Others)		37.74	44.25	
Insurance		94.18	110.14	
Others		9.44	5.14	
		2,579.52	1,642.27	
27 Foreign currency exposure				
The Company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not use forward contracts for speculative purposes.				
The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:				
	As at March 31, 2023		As at March 31, 2022	
	Foreign Currency	(Rs in Lakhs) Equivalent	Foreign Currency	(Rs in Lakhs) Equivalent
Borrowings				
USD	37,800,000	31,060.26	37,800,000	28,649.57
Capital Creditors				
USD	527,683	433.60	2,424,702	1,843.86
Interest payable				
USD	1,378,354	1,139.63	759,789	575.86
Trade Payables				
SGD	13,363	8.26	57,191	31.50

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

28 Contingent liabilities and commitments

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
A) Contingent Liabilities:		
a) Claims against the company not acknowledged as debt in respect of:		
i) Disputed land lease	-	9,120.86
Interest on disputed land lease charges	-	194.49
ii) Service tax (Amount paid under protest - INR 83.21)	288.15	288.15
iii) Income tax	17.97	17.97
b) Other monies for which the company is contingently liable		
i) Tariff reduction #	9,035.80	9,035.80

Tariff Authority of Major Ports (TAMP), vide its order dated January 6, 2012, notified by TAMP/51/2011 - CITPL, had reduced the tariff rates by 12.23% with effect from March 1, 2012. The Company filed a writ petition in the Honourable High Court of Madras ('Court') in April 2012 against the order. The Company has obtained an interim stay order dated September 5, 2012 which has been further extended from time to time. Management is awaiting the next listing date. Pending the final outcome on the aforesaid uncertainties, the Company has invoiced and recognised revenue from its operations using pre-revised rates prescribed by TAMP.

The Ministry of Shipping issued the Tariff guidelines, 2019 on March 7, 2019 vide Gazette No. 92, for regulation of Tariff for BOT Operators operating in the Major Port Trusts under erstwhile 2005 Tariff guidelines. Subsequently Tariff Authority of Major Ports (TAMP) issued the working guidelines vide No.TAMP/61/2018-Misc dated June 20, 2019. CITPL vide application dated July 17, 2019 applied for revision of Tariff as per the Tariff guidelines, 2019 and TAMP vide order dated Dec 23, 2019 approved the Tariff. The Company applied the revised rate effective January 24, 2020 after intimating to the Honourable High Court of Madras. The period of dispute is now capped till the said effective date, and the effect of reduction in revenue is disclosed by the Company as above, net of revenue share to the Chennai Port trust (CPT).

c) The Company has received a Consultation Notice on March 23, 2023 from Chennai Port Authority ("ChPA") regarding non replacement of equipments as per the License Agreement. The Company does not agree to the interpretation of ChPA in this regard, and has requested ChPA to take the matter up with Conciliation and Settlement Committee ("CSC") for settlement which was approved by ChPA Board. The management believes that no adjustments are required in these financial statements.

d) The Company evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the Management the aforesaid matter is not likely to have a significant impact.

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities.

B) Capital Commitments (to the extent not provided for):

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	33.83	-

29 Transfer Pricing

The Company has international transactions with related parties. For the period ended March 31, 2022, the Company has obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the current year, the Company confirms that it has maintained documents as prescribed by the Income-tax Act to substantiate that these international transactions are at arm's length and also believes that the aforesaid legislation will not have any impact on the current financial statements, particularly on the amount of tax expense and that of provision for taxation.

30 Retirement benefits

a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Provident Fund paid to authorities	43.78	45.90
Contribution to Employee state Insurance	1.47	3.13
Others	0.09	0.03
	<u>45.34</u>	<u>49.06</u>

b) Defined Benefit Plans

1) 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 for each completed year of service calculated as per the Payment of Gratuity Act, 1972. The Company's liability on account of gratuity funded and is administered by the Life Insurance Corporation of India (LIC).

The following table set out the status of the gratuity plan as required under Accounting Standard 15:

a. Classification into current / non-current

The liability in respect of Gratuity comprises of the following non-current and current portions:

Particulars	As at	As at
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Long-term provisions (Refer note 6)	-	-
Short-term provisions (Refer note 6)	17.43	1.44
Total	<u>17.43</u>	<u>1.44</u>

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

30 Retirement benefits (continued)

1) Gratuity (continued)

b. Changes in defined benefit obligation

Present value of obligation at beginning of the year	78.34	70.10
Current service cost	12.32	10.40
Interest cost	5.56	4.70
Actuarial losses / (gains)	7.38	(0.93)
Benefits paid by the plan	(32.39)	(5.93)
Present value of obligation at end of the year	71.21	78.34

c. Fair value of plan assets

Balance as at the beginning of the year/period	76.90	62.78
Expected return on plan assets	5.40	4.29
Actuarial gain/(loss) on plan assets	(1.95)	(0.25)
Contribution by the Company	5.82	16.01
Benefits paid	(32.39)	(5.93)
Balance as at the end of the year	53.78	76.90
Actual return on plan assets	3.45	4.04

d. Amounts to be recognised in the balance sheet

Present value of obligations as at the end of the year	71.21	78.34
Fair value of plan assets	53.78	76.90
Liability recognised in balance sheet	17.43	1.44

e. Expense recognized in Statement of Profit and Loss

Current service cost	12.32	10.40
Interest cost	5.56	4.70
Expected return on planned assets	(5.40)	(4.29)
Net actuarial loss / (gain) recognized in the year	9.33	(0.68)
Expense included in Statement of Profit and loss	21.81	10.13

f. Balance sheet reconciliation

Opening net liability	1.44	7.32
Expenses as above	21.81	10.13
Employers contribution paid	(5.82)	(16.01)
Liability recognised in the Balance sheet	17.43	1.44

g. Major Category of Plan Assets as a % of total plan

Funds managed by the Insurer-		
- Life Insurance Corporation of India	100%	100%

h. Summary of principal actuarial assumptions

The net liability for Gratuity is computed as per actuarial valuation made as per the norms of Accounting standard (AS) 15 (Revised 2005) – Employee Benefits issued by the Ministry of Corporate Affairs, Government of India, in consultation with the National Advisory Committee on Accounting standards, based on following assumptions.

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.17%	7.10%
Salary escalation	7.50%	7.50%
Attrition rate	1% to 5%	1% to 5%
Expected return on plan assets	6.78%	7.02%

The discount rate used is the market yields on Government Bonds at the Balance Sheet date with remaining terms to maturity approximating those of the Company's obligations.

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

i. Amounts recognised in Current Year and previous four years

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Gratuity					
Defined Benefit Obligation	71.21	78.34	70.10	62.40	45.01
Fair Value of Planned Assets	53.78	76.90	62.78	55.94	
(Surplus) / Deficit	17.43	1.44	7.32	6.46	45.01
Experience adjustments in plan liabilities (Gain)/Loss	7.90	(1.34)	(4.69)	(0.34)	9.96
Experience adjustments in plan assets	(1.95)	(0.25)	(0.81)	1.80	-

j. Expected contribution to the funds in the next year:

Gratuity	30.93
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2) Compensated Absences

The liability towards compensated absences for the year ended March 31, 2023 based on actuarial valuation using the projected unit credit method amounted.

a. Liability is recognised under:

	As at March 31, 2023	As at March 31, 2022
Long-term provisions (Refer note 6)	0.50	0.63
Short-term provisions (Refer note 6)	14.89	20.05
	15.39	20.68

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

31 Segment reporting

As the Company has only one segment of operation namely "Operation of Container Terminals" and the operations are only located in India, the financial statement are reflective of the information required by Accounting Standard 17 "Segment Reporting", notified under Companies (Accounting Standards) Rules, 2021.

32 Related party disclosures

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

Nature of relationship	Name of the related party
Holding company	PSA International Pte Limited
Fellow subsidiaries	Bharat Mumbai Container Terminals Private Limited Bharat Kolkata Container Terminals Private Limited PSA Cargo Solutions India Private Limited (formerly know as Sunport Cargo Solutions Private Limited) PSA Sical Terminals Limited
Key management personnel (KMP)	Suresh N Amirapu, Non Executive Director Michael Anthony Formoso, Non Executive Director Wan Chee Fong, Non Executive Director T Madhanmohan, Non Executive Director Gobu Sellaiya, Non Executive Director Lau Lee Leng, Non Executive Director Deep Kishore Reddy, Chief Executive Officer

b) Transaction with related parties:

	For the year ended <u>March 31, 2023</u>	For the year ended <u>March 31, 2022</u>
Transactions during the year		
PSA International Pte Limited - Holding Company		
Interest on borrowing	2,438.16	1,482.74
Royalty	486.17	480.77
Intangible assets - Software capitalised	-	61.53
Reimbursement of expenses:		
Repairs and Maintenance (Others)*	8.26	39.41
Others	6.46	4.40
*amount includes prepaid expenses of Nil for Mar 31,2023 (INR 14.76 for Mar 31, 2022) paid towards software maintenance		
Fellow Subsidiaries		
Revenue from Operations to the Company from related party		
PSA Cargo Solutions India Private Limited	18.95	-
Legal and professional charges		
PSA Cargo Solutions India Private Limited	156.83	97.36
Expenses incurred by the related party on behalf of the Company		
Bharat Mumbai Container Terminals Private Limited	5.92	6.70
Bharat Kolkata Container Terminals Private Limited	1.92	1.83
Key managerial personnel		
Remuneration #		
Deep Kishore Reddy	77.95	14.88
Capt. T Madhanmohan	-	84.76

As gratuity and compensated absences are computed for all the employees in aggregate based on actuarial valuation carried out for the Company as a whole, the amounts relating to the Key Managerial Personnel cannot be individually identified

II. Balances

	As at <u>March 31, 2023</u>	As at <u>March 31, 2022</u>
Balances payable		
PSA International Pte Limited		
External Commercial Borrowing Payable	31,060.26	28,649.57
Interest payable	1,139.63	575.86
Royalty payable	437.55	433.59
Other payable	8.26	22.61
Bharat Mumbai Container Terminals Private Limited		
Other payable	-	1.61
Balances receivable		
Bharat Kolkata Container Terminals Private Limited		
Other receivables	-	1.83
PSA Cargo Solutions India Private Limited		
Trade receivable	0.53	-

33 Operating lease obligations

The Company has taken certain assets (equipments and office premises) under cancellable operating leases. Lease rentals in respect of assets taken on these operating leases are charged to the Statement of profit and loss on a straight line basis over the lease term. The lease arrangements have been entered upto a maximum period of 3 years from their respective dates of inception.

Lease expense recognised in the statement of profit and loss for the year aggregates to INR 1,660.35 (Year ended March 31, 2022 - INR 1,918.44).

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

34 Earnings per share	For the year ended <u>March 31, 2023</u>	For the year ended <u>March 31, 2022</u>
Computation of earnings per share:		
Profit / (loss) for the year attributable to equity shareholders	(391.03)	(627.67)
Calculation of weighted average number of equity shares:		
- Number of equity shares at the beginning of the year	352,500,000	352,500,000
- Number of equity shares outstanding at the end of the year	352,500,000	352,500,000
Basic and diluted earnings per share (INR)	(0.11)	(0.18)
Face value of shares (INR)	10.00	10.00
	As at	As at
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
35 Deferred tax assets, net		
Deferred tax liability on account of Property, plant and equipment (A)	4,726.15	5,716.24
Deferred tax asset restricted to deferred tax liability		
- Unabsorbed depreciation	(4,726.15)	(5,716.24)
Net deferred tax liability/ (asset) (A+B)	<u>-</u>	<u>-</u>

Note : For the period ended March 31, 2023, since the Company has unabsorbed losses as per taxation laws, it has scaled down the recognition of deferred tax asset to the extent it matches with the aggregate deferred tax liabilities. During the current year, no deferred tax asset has been recognised in the absence of virtual certainty of future taxable income and deferred tax liabilities.

36 Micro, small and medium enterprises

There are no over due payments to Micro and Small Enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) other than disclosed under note no.7. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current year. The list of Micro and Small Enterprises was determined based on the information available with the Company.

37 Additional regulatory information required under Schedule III of the Companies Act, 2013

a) Prohibition of Benami Property Transactions Act:

There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.

b) Wilful Defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

"wilful defaulter" here means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

c) Undisclosed Income

The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year.

d) Details of Crypto currency or Virtual currency

The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2023. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

e) Relationship with Struck off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

f) Compliance with number of layers of companies:

The Company does not have any subsidiaries. Hence the disclosure of compliance with the number of layers is not applicable.

g) Utilisation of borrowed funds:

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries"); or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

h) Borrowing secured against current assets

The Company does not have borrowings from banks and financial institutions on the basis of security of current assets.

i) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

j) Valuation of property, plant and equipment, intangible asset and investment properties

The Company has not revalued its property, plant and equipment and intangible assets during the current or previous year.

k) Title deeds of immovable properties not held in name of the company

The Company does not have any immovable properties. (Refer Note 9)

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

38 Analytical Ratios:-

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reasons for variance
(a) Current ratio	Current asset	Current liabilities	0.34	1.03	-66.8%	Note 1
(b) Debt-equity ratio	Total debt	Shareholder's equity	2.57	2.30	11.9%	-
(c) Debt service coverage ratio	Earnings available for debt service	Debt service	3.66	1.09	235.1%	Note 2
(d) Return on equity ratio	Net profit after taxes - Preference dividend (if any)	Average shareholder's equity	(0.03)	(0.05)	-33.1%	Note 3
(e) Inventory turnover ratio	Sales	Average inventory	53.10	56.91	-6.7%	-
(f) Trade receivables turnover ratio	Net credit sales	Average accounts receivable	104.82	61.82	69.6%	Note 4
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	6.39	6.45	-1.0%	-
(h) Net capital turnover ratio	Net sales	Average working capital	(1.17)	115.83	-101.0%	Note 1
(i) Net profit ratio	Net profit	Net sales	-1.25%	-2.02%	-38.0%	
(j) Return on capital employed	Earnings before interest and taxes	Capital employed	4.84%	2.26%	114.6%	Note 5
(k) Return on investment	Income generated from investments	Time weighted average investments	NA	NA	NA	-

- 1 There is an increase in the bank balances due to improvement in operating cashflows, this is offset by increase in current liabilities due to the loan falling due in the next 12 months. Hence the current ratio and net capital turnover ratio have reduced.
- 2 In the previous year, there were scheduled principal repayments on account of Axis Bank Term Loan. During the year, there are only interest payments on ECB. Hence the ratio has improved.
- 3 Losses for the year has reduced as compared to the previous year leading to the improvement in the ratio.
- 4 Trade receivables ratio has decreased due to higher trade receivables as on March 31, 2021 owing to higher sales in March 2021.
- 5 Due to higher EBIT as compared to the previous year. ROCE has improved.

39 Absence of Company Secretary to sign the financial statements

The financials statements of the Company have not been authenticated by a whole-time secretary as required under Section 134(1) of the Act, as the whole-time secretary (on Company's payroll) as required under Section 203 of the Act has resigned on February 10, 2023. The Company is in the process of the appointing a whole-time secretary as required under the Act.

- 40 Previous year's figures have been reclassified, wherever necessary, to conform to current year's classification

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

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Date: 2023.08.29
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Suresh S
Partner
Membership No: 200928

Place : Chennai
Date : August 29, 2023

For and on behalf of the Board of Directors

GOBU
SELLIAYA
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Date: 2023.08.29
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Gobu Selliaya
Director
DIN: 09565592
Place : Mumbai

CHANDRASHEKAR
DEEPKISHORE REDDY
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Date: 2023.08.29 15:17:31 +05'30'

C Deepkishore Reddy
CEO

Place : Chennai
Date : August 29, 2023

SURESH
NARAYANA
AMIRAPU
Digitally signed by SURESH NARAYANA AMIRAPU
Date: 2023.08.29
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Suresh N Amirapu
Director
DIN: 00792915
Place : Chennai

BOARD'S REPORT

**To the Members,
Chennai International Terminals Private Limited**

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

1. FINANCIAL RESULTS

(Amount in INR Lacs)

Particulars	Financial Year	
	2022-23	2021-22
Total Income	31,562.70	31,282.25
Total Expenses	31,953.73	31,909.92
Profit / (Loss) before tax	(391.03)	(627.67)
Tax expense	-	-
Profit / (Loss) for the period	(391.03)	(627.67)

2. DIVIDEND

During the year under review, no dividend is declared 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 handled 810,429 TEUs during current financial year against 871,934 TEUs handled in previous financial year. The Company has recorded total revenue of INR 3,156.3 million and loss of INR 39.1 million during current financial year against total revenue of INR 3,128.2 million and loss of INR 62.8 million during previous financial year.

The Indian logistics sector is a vital contributor to the country's economy, facilitating the movement of goods and services across various industries. The growth is being driven by a number of factors like strong demand from different industries, rising preferences for integrated supply chain services, government policies such as NLP, PM Gati Shakti NMP for improving infrastructure and reducing inefficiencies in the processes. And in line with the nation's progress, we believe that logistics in India will become a growth engine for other sectors and we are fully committed to make that vision a reality.

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

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this 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 framework and 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 (CSR) 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/chennai>.

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 arm's length basis. There was no contract or arrangement made with related parties as defined under Section 188 of the Companies Act, 2013 which required 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/chennai>.

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

The Company had 4 Board Meetings during the financial year 2022-23 as listed below. The applicable Secretarial Standards were followed by the Company.

S#	Date
1	22 June 2022
2	30 September 2022
3	19 January 2023
4	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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

16. DEPOSITS

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

17. STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP, (FRN:012754N/N500016), Chartered Accountants are appointed as Statutory Auditors of the Company for a period of five Financial Years commencing from 1st April 2022 till 31st March 2027 by the members in the Annual General Meeting held on 30th September 2022.

18. COST AUDITOR

As per section 148 of the Companies Act, 2013 read with the rules made thereunder, the cost accounts and records are maintained by the Company for the year under review. M/s. Vivek Laddha & Associates, Cost Accountants (Firm Reg. No. 103465) are appointed as Cost Auditor for financial year 2023-24 for conducting cost audit and their remuneration is being placed for members' ratification at the Annual General Meeting.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. During the year no such complaints were received. As required, the Company has formed an Internal Complaints Committee and conducted two meetings during the year.

21. CHANGES IN BOARD OF DIRECTORS

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

- i. Mr. Gobu Selliaya and Ms. Lau Lee Leng were appointed as non-executive directors with effect from 31 May 2022 and 1 October 2022 respectively
- ii. Resignation of Company Secretary, Ms. Dharani with effect from 10 February 2023

22. 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 352,50,00,000/-

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.

23. ACKNOWLEDGEMENTS

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the employees, staff and workers of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**GOBU
SELLIAYA**
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GOBU SELLIAYA
Date: 2023.08.29
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Gobu Selliaya
Director
DIN: 09565592

Date: 29 August 2023
Place: Mumbai

**SURESH
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AMIRAPU**
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Date: 2023.08.29 19:51:52
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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, machineries and apparatus and providing training to the workers, staffs and others for the conservation of energy. As of 31st March, 2023, the company has installed solar capacity of 178.31 kw.

B. Technology absorption:

Considering the nature of business activities being carried out by the Company, the Directors have nothing to report regarding technology absorption.

C. Foreign Exchange Earnings & Outgo:

Earnings & Expenditure in Foreign Currency: refer to note 26 under the financial statements.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**GOBU**Digitally signed by
GOBU SELLIAYA**SELLIAYA**Date: 2023.08.29
19:57:48 +05'30'**Gobu Selliaya****Director****DIN: 09565592****Date: 29 August 2023****Place: Mumbai****SURESH
NARAYANA
AMIRAPU**

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NARAYANA AMIRAPU

Date: 2023.08.29 19:51:24
+05'30'**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 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) Date(s) of approval by the Board, if any
 - f) Amount paid as advances, if any

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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Date: 2023.08.29
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Gobu Selliaya
Director
DIN: 09565592

Date: 29 August 2023
Place: Mumbai

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Suresh N. Amirapu
Director
DIN: 00792915

Date: 29 August 2023
Place: Chennai