

Kandla Container Terminal Private Limited

Financial Statements

Independent Auditors Report

Year Ended 31st March 2021

Kandla Container Terminal Private Limited

Balance sheet as at March 31, 2021

(Currency: Indian Rupees)

(Rupees in '000)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	40,516.62	47,424.10
Financial assets			
Other financial assets	4	28,878.63	28,878.63
Other non-current assets	5	8,308.90	8,308.90
Total Non-Current Assets		77,704.15	84,611.63
Current assets			
Financial assets			
i. Trade receivables	6	-	-
ii. Cash and cash equivalents	7	44.55	68.30
iii. Other Bank Balances	8	50.00	50.00
iv. Loans	9	14,104.37	14,104.37
v. Others	10	5,932.25	5,932.25
Total Current Assets		20,131.17	20,154.92
Total Assets		97,835.33	1,04,766.55
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	3,00,000.00	3,00,000.00
Other equity	12	(2,96,580.61)	(2,86,713.53)
Total Equity		3,419.39	13,286.47
Current liabilities			
Financial Liabilities			
Trade and other payables	13	13,411.71	13,953.40
Other current liabilities	14	79,128.36	75,650.81
Provisions	15	1,875.88	1,875.88
Total Current Liabilities		94,415.94	91,480.08
Total Equity and Liabilities		97,835.33	1,04,766.55

Notes form integral part of the financial statements

As per our report of even date

For Manish Kumar Agarwal & Co

Chartered Accountants

Firm Registration No: 153871W

Pulkit Goyal

Pulkit Goyal

Partner

Membership No. 436460

UDIN # 22436460AAAAAM4661

Place: Mumbai, India

Date: 24th November 2021



For and on behalf of the Board of Directors

Kandla Container Terminal Private Limited

CIN: U63012MH2006PLC162584

C S Venkatesh

C S Venkatesh

Director

DIN: 08185541

Kumkum Agarwal

Kumkum Agarwal

Director

DIN: 00944021



Kandla Container Terminal Private Limited
Statement of profit and loss for the year ended March 31, 2021
(Currency: Indian Rupees)

	Notes	For year ended March 31, 2021	(Rupees in '000) For year ended March 31, 2020
Income			
Other income	16	-	-
Total Income		-	-
Expenses			
Depreciation expense	17	6,907.48	6,926.40
Other expenses	18	2,959.61	4,963.37
Total Expenses		9,867.08	11,889.77
Profit/ (loss) before tax		(9,867.08)	(11,889.77)
Tax Expense		-	-
Profit/ (loss) for the year		(9,867.08)	(11,889.77)
Other Comprehensive Income		-	-
Total Comprehensive Income/ (Loss) for the year		(9,867.08)	(11,889.77)
Earning/ (loss) per equity share			
- Basic and diluted	20	(0.04)	(0.05)

Notes form integral part of the financial statements

As per our report of even date

For Manish Kumar Agarwal & Co
Chartered Accountants
Firm Registration No: 153871W

Pulkit Goyal

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Partner
Membership No. 436460
UDIN # 22436460AAAAAM4661



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Kandla Container Terminal Private Limited
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Director
DIN: 00944021



Kandla Container Terminal Private Limited**Statement of changes in equity for the year ended March 31, 2021**

(Currency: Indian Rupees)

(Rupees in '000)

A. Equity and Preference Share Capital	Equity Shares	Preference Shares
	Amount	Amount
Particulars		
As at March 31, 2019	2,00,000	1,00,000
Change in equity Share Capital	-	-
As at March 31, 2020	2,00,000	1,00,000
Change in equity Share Capital	-	-
As at March 31, 2021	2,00,000	1,00,000

* Preference shares are 0.001% Cumulative Compulsorily Convertible Preference Shares of Rs. 10 each.

B. Other Equity

Particulars	Reserves & Surplus		Total Other Equity
	Securities Premium Reserve	Retained Earnings	
Closing balance as at 31 Mar 2019	23,00,000	(25,74,824)	(2,74,824)
Transfer to retained earnings - Profit 2019-20		(11,890)	(11,890)
Closing balance as at 31 Mar 2020	23,00,000	(25,86,714)	(2,86,714)
Transfer to retained earnings - Profit 2020-21		(9,867)	(9,867)
Closing balance as at 31 Mar 2021	23,00,000	(25,96,581)	(2,96,581)

As per our report of even date

For Manish Kumar Agarwal & Co

Chartered Accountants

Firm Registration No: 153871W


Pulkit Goyal

Partner

Membership No. 436460

UDIN # 22436460AAAAAM4661



For and on behalf of the Board of Directors

Kandla Container Terminal Private Limited

CIN:U63012MH2006PLC162584


C S Venkatesh

Director

DIN: 08185541


Kumkum Agarwal

Director

DIN: 00944021



Place: Mumbai, India

Date: 24th November 2021

Kandla Container Terminal Private Limited
Statement of Cash Flows for the year ended March 31, 2021
(All amounts in Rupees, unless otherwise stated)

	For year ended March 31, 2021	(Rupees in '000) For year ended March 31, 2020
Cash flow from operating activities		
Profit/ (loss) before tax	(9,867.08)	(11,889.77)
Adjustments for:		
Depreciation Expense	6,907.48	6,926.40
	(2,959.61)	(4,963.37)
Changes in operating assets and liabilities		
(Increase)/ decrease in trade receivables	-	518.59
Decrease in other non-current assets	0.00	4.80
Increase/ (decrease) in trade and other payables	(541.69)	(548.94)
Decrease in Short term loan & advance	(0.00)	392.65
Increase /(decrease)in other current liabilities	3,477.55	4,452.52
Increase in other Financial liabilities		
Cash generated from operations	(23.75)	(143.75)
Tax Expenses / Deferred Tax	-	-
Net cash inflow from/(used in) operating activities (A)	(23.75)	(143.75)
Cash flow used in investing activities		
Net cash outflow from / (used in) investing activities (B)	-	-
Cash flow used in financing activities		
Net cash outflow from/ (used in) financing activities (C)	-	-
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(23.75)	(143.75)
Cash and cash equivalents at the beginning of the year	68.30	212.05
Cash and cash equivalents at the end of the year	44.55	68.30
Components of Cash and Cash Equivalent		
With Banks - in current Account	44.55	68.30
Cash on Hand	-	-
Total Cash and Cash Equivalent	44.55	68.30

This is the statement of cash flows referred to in our report of even date.

For Manish Kumar Agarwal & Co
Chartered Accountants
Firm Registration No: 153871W

Pulkit Goyal

Pulkit Goyal
Partner
Membership No. 436460
UDIN # 22436460AAAAAM4661



Place: Mumbai, India
Date: 24th November 2021

For and on behalf of the Board of Directors
Kandla Container Terminal Private Limited
CIN:U63012MH2006PLC162584

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Director
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Director
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Kandla Container Terminal Private Limited

Notes to the Ind AS financial statements for the year ended March 31, 2021

(Currency: Indian Rupees)

1. Corporate Information

Kandla Container Terminal Private Limited (formerly known as ABG Kandla Container Terminal Limited) ('the Company') was established on 22 June 2006. The Company has been engaged in the business of development, operations, management and maintenance of berth 11 and 12 in Kandla port as container terminal on Build, Operate and Transfer ("BOT") basis pursuant to the License Agreement with Kandla Port Trust which has been terminated and arbitration proceedings are going on between the Company and the Trust.

2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of preparation

i. Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time and other relevant provision of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies Act, 2013 read together with para 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer note no. 19 below for an explanation on how the transition from IGAAP to Ind AS has affected the Company balance sheet, financial performance and cash flow.

The Financial Statements are presented in INR. The financial statements have been prepared on a historical cost basis, except certain financial instruments which have been measured at fair value.

ii. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

B. Going concern

The Company has terminated the License Agreement with Kandla Port Trust on 9th November 2012 and arbitration proceedings have commenced. During the financial year 13-14, the port has taken over all the fixed assets. Correspondingly, all the secured liabilities against said fixed assets were also transferred to the port. As claims and counter claims by both the parties are subject to the resolution in Arbitration Proceedings, the book value of fixed assets and other liabilities were transferred to a common account classified under Loans and Advances during the earlier years. The Company believes that its claim against the Port shall far outweigh counter-claims against it when the same are settled in the said arbitration proceedings and accordingly, accounts of the Company have been prepared on Going Concern basis.



Kandla Container Terminal Private Limited

Notes to the Ind AS financial statements for the year ended March 31, 2021

(Currency: Indian Rupees)

C. Operating Segment

The Company is primarily engaged in the business of providing cranes on rental basis. Further all the commercial operations of the company are based in India. Accordingly, there are no separate reportable segments.

D. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

- a. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

E. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rendering of services

Revenue from hiring of equipment (cranes & trailers) associated with the transaction is recognised when the outcome of a transaction can be reliably estimated by reference to the stage of completion of the transaction, at the end of the reporting period.

Interest income

Interest income for debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

F. Income Taxes

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

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and Current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.



Kandla Container Terminal Private Limited

Notes to the Ind AS financial statements for the year ended March 31, 2021

(Currency: Indian Rupees)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax loss and tax credits.

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

Deferred tax measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they to income taxes levied by the same tax authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

G. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (See note no. 19).

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

The useful lives assessed by the management are in line with the useful lives prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).



Kandla Container Terminal Private Limited

Notes to the Ind AS financial statements for the year ended March 31, 2021

(Currency: Indian Rupees)

H. Impairment of non-financial assets

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised in the statement of profit and loss when the carrying amount of an asset exceeds its estimated recoverable amount. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount but limited to the carrying amount that would have been determined (net of depreciation / amortisation) had no impairment loss been recognised in prior accounting periods.

I. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources, that can reliably be estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are not recognised but disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured reliably. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

J. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises of cash at banks and on hand and short-term deposits, (which are not pledged) with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

K. Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

L. Recent Accounting Pronouncement

a. Standards issued but not effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115- Revenue from contract with customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

b. Issue of Ind AS 115- Revenue from contract with customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction contracts and the related interpretation. Ind AS 115 Provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

M. Amendment to existing issued Ind AS

The MCA has also carried out amendments of the following Indian Accounting Standards:

- Ind AS 21- The Effects of changes in foreign exchanges Rates
- Ind AS 40- Investment Property
- Ind AS 12- Income Tax
- Ind AS 28- Investments in associates and Joint ventures and
- Ind AS 112- Disclosure of interests in other entities

Applications of above standards are not expected to have any significant impact on the company's financial statements.

N. Significant accounting judgements, estimates and assumptions

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

Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.



Kandla Container Terminal Private Limited

Notes to the Ind AS financial statements for the year ended March 31, 2021

(Currency: Indian Rupees)

Note 3: Property, plant and equipment

Description	Gross Block			Depreciation			Net Block			
	As at 01-04-2020	Addition	Deletion	As at 31-03-2021	Upto 31-03-2020	Charge For The Year	Disposal For The Year	Upto 31-03-2021	31-03-2021	31-03-2020
Plant and Machinery	94,952.00	-	-	94,952.00	47,638.02	6,907.48	-	54,545.50	40,406.50	47,313.98
Motor Cars	2,211.96	-	-	2,211.96	2,101.84	-	-	2,101.84	110.12	110.12
Total	97,163.96	-	-	97,163.96	49,739.86	6,907.48	-	56,647.34	40,516.62	47,424.10
Previous Year	97,163.96	-	-	97,163.96	42,813.46	6,926.40	-	49,739.86	47,424.10	54,350.50

Note:

During the year ended on 31 March 2021, there is no impairment loss determined at each level of Cash Generating Unit (CGU). The recoverable amount was based on value in use and was determined at the level of CGU.



Kandla Container Terminal Private Limited

Notes to the Ind AS financial statements for the year ended March 31, 2021

(Currency: Indian Rupees)

Financial assets**4 Other Financial Assets - Non Current**

	As at March 31, 2021	As at March 31, 2020
Expenses Recoverable	28878.63	28,878.63
Security Deposit	-	-
Total other financial assets - Non Current	28,878.63	28,878.63

5 Other Non-Current Assets

	As at March 31, 2021	As at March 31, 2020
Advance Tax (Net of Provision)	8308.90	8,308.90
Total other non-current assets	8308.90	8,308.90

6 Trade receivables - Current

	As at March 31, 2021	As at March 31, 2020
Trade Receivables	518.59	518.59
Provided for Bad Debts	518.59	518.59
Total trade receivables	-	-

Break up of Trade Receivable

Unsecured, Considered Good	-	-
Unsecured, Considered Doubtful	518.59	518.59
Total	518.59	518.59
Allowance for Expected Credit Loss	(518.59)	(518.59)
Total trade receivables	-	-

Of the above, trade receivables from:

Others	-	-
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No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non interest bearing.



7 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balance with banks		
- in current accounts	44.55	68.30
- in Fixed Deposit	50.00	50.00
Cash on hand	-	-
Sub Total	94.55	118.30
Less: In enmarked accounts	(50.00)	(50.00)
Total cash and cash equivalents	44.55	68.30

8 Other Bank Balances

	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
Fixed deposits with maturity more than 3 months (including interest accrued)	50.00	50.00
Total other bank balances	50.00	50.00

There are no repatriation restriction with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

9 Loans - Current

	As at March 31, 2021	As at March 31, 2020
Unsecured Considered Good		
Short Term Loans & Advances	14,104.37	14,104.37
Total loans - Current	14,104.37	14,104.37

10 Other Financial Assets - Current

	As at March 31, 2020	As at March 31, 2020
Inter-corporate deposits to Related Party	5932.25	5932.25
Total other financial assets - current	5932.25	5932.25



Kandla Container Terminal Private Limited

Notes to the Ind AS financial statements for the year ended March 31, 2021
(Currency: Indian Rupees)

Equity Share Capital and Other Equity

11 Equity Share Capital

	As at 31st March, 2021	As at 31st March, 2020
(Rupees in '000)		
Authorised equity share capital		
2,00,00,000 (previous year 200,00,000) equity shares of Rs.10/- each fully paid up	2,00,000	2,00,000
10,00,00,000 (Previous year 10,00,00,000) 0.001% Cumulative Compulsorily Convertible Preference Shares of Rs. 10 each	1,00,000	1,00,000
	3,00,000	3,00,000
Issued, Subscribed & Paid-up		
2,00,00,000 (previous year 200,00,000) equity shares of Rs.10/- each fully paid up	2,00,000	2,00,000
10,00,00,000 (Previous year 10,00,00,000) 0.001% Cumulative Compulsorily Convertible Preference Shares of Rs. 10 each	1,00,000	1,00,000
	3,00,000	3,00,000

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	Number	Rupees	Number	Rupees
At the beginning of the year	2,00,00,000	2,00,000	2,00,00,000	2,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,00,00,000	2,00,000	2,00,00,000	2,00,000

Preference Shares	As at 31st March, 2021		As at 31st March, 2020	
	Number	Rupees	Number	Rupees
At the beginning of the year	1,00,00,000	10,00,00,000	1,00,00,000	1,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,00,00,000	10,00,00,000	1,00,00,000	1,00,000

(ii) Terms/ rights attached to equity shares:

Equity shares have a par value of Rs.10/-. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Rights, preferences and restrictions attached to share capital

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 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.

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

The above Preference Shares which are held by Starlog Enterprises Limited, are convertible at a day, not later than 21st October 2016.

(iii) Shares held by holding company

	As at 31st March, 2021	As at 31st March, 2020
Out of equity and preference shares issued by the company, shares held by its holding company Starlog Enterprises Limited :		
1,99,99,400 (previous year 1,99,99,400) equity shares of Rs.10/- each fully paid up	19,99,94,000	19,99,94,000
1,00,00,000 (Previous year 1,00,00,000) 0.001% Cumulative Compulsorily Convertible Preference Shares of Rs. 10 each fully paid up	10,00,00,000	10,00,00,000
	29,99,94,000	29,99,94,000

(iv) Details of shareholders holding more than 5% Shares in the Company:

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity shares of Rs 10 each fully paid				
Starlog Enterprises Limited	1,99,99,400	99.997%	1,99,99,400	99.997%
0.001% Cumulative compulsorily convertible preference shares of Rs. 10 each				
Starlog Enterprises Limited	1,00,00,000	100%	1,00,00,000	100%

The Company has not issued any equity shares as bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately March 31, 2020

12 Other Equity

	As at March 31, 2021	As at March 31, 2020
Securities Premium:		
As per last Balance Sheet	23,00,000	23,00,000
Retained Earnings:		
As per last Balance Sheet	(25,86,713.53)	(25,74,823.76)
Net profit/ (loss) for the year	(9,867.08)	(11,889.77)
	(25,96,580.62)	(25,86,713.53)
Total Other Equity	(25,96,580.62)	(25,86,713.53)



Kandla Container Terminal Private Limited

Notes to the Ind AS financial statements for the year ended March 31, 2021

(Currency: Indian Rupees)

	As at March 31, 2021	(Rupees in '000) As at March 31, 2020
13 Trade and other payables		
Trade Payables to others	13,411.71	13,953.40
Total trade and other payables	13,411.71	13,953.40

There are no Micro, Small and Medium Enterprises as defined in the "Micro, Small, Medium Enterprises Development Act 2006" to whom the Company owes dues on account of principal amount together with Interest and accordingly no additional disclosures have been made.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

14 Other Current Liabilities

	As at March 31, 2021	As at March 31, 2020
Security deposit	3,940.72	3,940.72
TDS payable	19,553.47	19,496.80
Interest on TDS Payable	3,632.69	1,814.82
Service tax payable	25,187.28	25,187.28
Advance from customers	9,385.75	9,385.75
Loans & Advances from related parties	9,524.98	8,326.40
Loans & Advances from others	753.30	707.05
Salary Payable	221.05	221.05
Outstanding Liabilities	6,929.12	6,570.93
Total other current liabilities	79,128.36	75,650.81

15 Provisions

	As at March 31, 2021	As at March 31, 2020
Provision for gratuity	1,239.81	1,239.81
Provision for leave encashment	636.07	636.07
Total provisions	1,875.88	1,875.88



Kandla Container Terminal Private Limited

Notes to the Ind AS financial statements for the year ended March 31, 2021

(Currency: Indian Rupees)

	(Rupees in '000)	
	For year ended March 31, 2021	For year ended March 31, 2020
16 Other income		
Interest on Income Tax Refund	-	-
Other Income	-	-
Total other income	-	-
17 Depreciation		
	For year ended March 31, 2021	For year ended March 31, 2020
Depreciation on Plant, Property & Equipments (Refer Note No. 3)	6,907.48	6,926.40
Total depreciation expense	6,907.48	6,926.40
18 Other expenses		
	For year ended March 31, 2021	For year ended March 31, 2020
Advertisement and Business Promotion	-	13.73
Travelling and conveyance	-	20.09
Audit Fees	25.00	25.00
Legal Fees	1,085.70	1,951.69
Professional Fees	29.44	47.44
Interest Expense	1,817.87	1,814.82
Rent	-	353.47
Provision for Bad Debts	-	518.59
Payment to Employees	-	2.74
Miscellaneous expenses	1.6	215.80
Total other expenses	2,959.61	4,963.37



Kandla Container Terminal Private Limited

Notes to the Ind AS financial statements for the year ended March 31, 2021

(Currency: Indian Rupees)

19 Earning/(Loss) Per Equity Share

(Rupees in '000)

Particulars	31 March 2021	31 March 2020
a) Profit/(loss) after tax as per profit and loss account	(8,01,354)	(9,37,986)
b) Number of equity shares as at 31 March 2018	2,00,00,000	2,00,00,000
c) Nominal value of shares	Rs 10/-	Rs 10/-
d) Basic and diluted earning per share (a/b)	(0.04)	(0.05)

20 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

As determined by management and relied upon by auditors, there are no Micro, Small and Medium Enterprises as defined in the "Micro, Small, Medium Enterprises Development Act 2006" to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

21 Related Party Transactions

Description of Relationship	Name of Party	Place of Incorporation
Holding Company	Starlog Enterprises Limited	India
Fellow Subsidiary	Starport Logistics Limited	India
	Starlift Services Private Limited	India

Significant Transactions with Related Parties

The following table provides the total amount of transactions that have been entered into with related parties

Nature of transaction	Nature of relationship	31st March 2021	31st March 2020
Advances Received			
Starlog Enterprises Limited	Holding Company	-	2,005.00
Expense incurred by others on our behalf			
Starlog Enterprises Limited	Holding Company	1,198.58	652.46
Starlift Services Private Limited	Fellow Subsidiary	46.25	284.21
Outstanding Balances			
Advances/ICD Given			
Starport Logistics Limited	Fellow Subsidiary	5,932.25	5,932.25
Expense incurred by others on our behalf			
Starlift Services Private Limited	Fellow Subsidiary	343.75	297.50
Advances Received			
Starlog Enterprises Limited	Holding Company	9,524.98	8,326.40

22 Segment Reporting

The Company is engaged in one business segment i.e. ports. Further all the commercial activities of the company are based in India. Accordingly, there is no separate reportable segment.

23 Balance of creditors are subject to confirmation. However, in the opinion of the Board, Current Assets, Loans and Advances have value on realisation in the ordinary course of business, at least equal to the amount at which they are stated.



Kandla Container Terminal Private Limited
Notes to the Ind AS financial statements for the year ended March 31, 2021
(Currency: Indian Rupees)

24 Contingent liabilities not provided for :

Company has invoked bank guarantee given by a machine supplier and realised Rs 8,39,79,000/- during the year ending 31.3.2013 which was reduced from the cost of Plant & Machinery. However, the supplier has contested the invocation of bank guarantee and the matter is sub-judice

The Company has terminated the license Agreement with Deen Dayal Port Authority (Kandla Port Trust) on 9th November, 2012 and arbitration proceedings have commenced thereafter. Pursuant to the order of Addl. Dist. Judge, Gandhidhan, the Lenders (Axis Bank & Uco Bank) issued a demand of their entire Debt Due on Kandla Port Trust vide letter dated 09.07.2013. Based on inter-se agreement between lenders & Kandla Port Trust, entire debt due was deposited in Gujrat High Court and the lenders handed over all fixed assets of Kandla Container Terminal Pvt Ltd to Kandla Port Trust on 27th September, 2013. As claims and counter claims by both the parties are subject to resolution in arbitration proceedings, the book value of fixed assets and liabilities in relation thereto have been transferred to a common account classified under loans and advances during the earlier years. The Company has claimed Rs.536.35 Crore from KPT which has made a counter claim against the Company for Rs.2345.35 Crore. Counter claim of KPT includes Rs.1438.21 Crore on account of profit share for the period from the date of termination of the contract until the expiry date as per the original contract which the Company considers untenable as the possession of the fixed assets and control of port operations are with KPT. Similarly counter claim of KPT also includes replacement cost of plant & machinery amounting to Rs.583.76 Crore which the Company considers untenable as there is no such provision in the agreement. The Company believes that, in real terms, its claims against KPT shall far outweigh counter-claims against it when the same are settled in the said arbitration proceedings and, accordingly, no accounting effect is given to most of the claims / counter claims.

As per the terms of the licence agreement with KPT, all the secured debts get transferred to KPT on termination of the said agreement upon KPT taking over control on port assets of the Company. However, lenders have continued to show the aforesaid secured liabilities amounting to Rs.95,10,64,087 as on 31st March, 2017 as recoverable from the Company which the Company has disputed in the aforesaid arbitration proceedings. In financial year 15-16, Bank recovered matured margin money kept with the bank along with interest for Rs 2,88,78,633.81 as against aforesaid dues, which the Company considers against the provisions of license/other agreements and has accordingly shown the same as recoverable from the bank.

25 Gratuity and other post-employment benefit plans

The Company has made provision for accrued liability for gratuity as per the actual details of the employees as on 27 September 2013 i.e. the date when the KPT took over the possession from the Company.

26 Compliance with certain requirements of the Companies Act, 2013

The Company has identified that it has not complied with certain provisions of the Companies Act, 2013 as set out below:

- Independent directors as required under section 149 of the Act have not been appointed by the Company.
- Audit committee as required under Section 177 of the Act has not been constituted by the Company.
- Nomination and remuneration committee as required under Section 178 of the Act has not been constituted by the Company.

The Company is in the process of complying with the above provisions as required under Companies Act, 2013. Management believes that the liabilities/penalties, if any, on account of the above stated non-compliances are not expected to be material and the same are currently not determinable.

27 Previous year comparatives

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For Manish Kumar Agarwal & Co
Chartered Accountants
Firm Registration No: 153871W




Pulkit Goyal
Partner
Membership No. 436460
UDIN # 22436460AAAAAM4661



For and on behalf of the Board of Directors
Kandla Container Terminal Private Limited
CIN: U63012MH2006PLC162584


C S Venkatesh
Director
DIN: 08185541


Kumkum Agarwal
Director
DIN: 00944021

Place: Mumbai, India
Date: 24th November 2021



INDEPENDENT AUDITOR'S REPORT

To The Members of

KANDLA CONTAINER TERMINAL PRIVATE LIMITED
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Indian Accounting Standards ("Ind AS") financial statements of **KANDLA CONTAINER TERMINAL PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view on conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss Including Other Comprehensive Income, its Cash Flows and the Statement of the Changes in Equity for the year ended on the date.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(B) regarding Going Concern read with Note 24 regarding Contingent Liabilities. As more fully explained in those notes. The company has terminated the License Agreement with Kandla Port Trust ("Port") on 9th November, 2012 and Arbitration proceedings have commenced with Port. The Company believes that its claims against the port shall far outweigh counter-claims against it when the same are settled in the said arbitration proceedings and has, accordingly, prepared its accounts on Going Concern basis.

Basis for Opinion

As fully explained in Note 26 to the accompanying financial statements, the company has not complied with the provision of Section 149, 177 and 178 of the Act with respect to appointment of independent directors, constitute of audit committee and nomination and remuneration committee during the year ended 31 March, 2021. Pending regularization of the aforementioned defaults, Liabilities/penalties, if any, on account of the above non-compliance are presently not ascertainable and therefore have not been provided for in the statement.



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 Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 qualified opinion.

Emphasis of Matters

We draw attention to:

1. Note 14 that include service tax payable of Rs. 2,51,87,284 which is net-off service tax input of Rs. 77,36,023. The input credit of service tax has not been claimed within stipulated time as per service tax guidelines and there is reasonable doubt that the same will be available for set off in future. The Company has continued to show it is an asset till the conclusion of its arbitration proceedings.
2. Note 11 regarding Cumulative Compulsorily Convertible Preference Share ("CCPS") of Rs. 10,00,00,000 .As per terms, the CCPS should have been converted into equity of the Company at the date no later than 21st October 2016. However, the same are still to be converted. Further, the Company has not done fair valuation of the CCPS are required under Ind AS 32 which is in nature of compound financial instrument on the grounds that they are overdue for conversion as on balance sheet date.

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

Other Information

The Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusive 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. When we read the annual report, if we conclude that there is a material misstatement of this other information, we are required to report that fact.



Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures



responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("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 A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.



2. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) The matters described in the Basis of Qualified Opinion paragraph as per our separate report in 'Annexure B', in the Material Uncertainty Related to Going Concern paragraph above and in the Basis of Qualified Opinion Paragraph and Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) As explained to us, none of directors is disqualified as on 31st March 2021, from being appointed as a director in terms of Section 164(2) of the Act.
 - 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 B".
 - h) In our opinion and according to the information and explanations given to us, no remuneration has paid/provided by the Company to its directors during the year.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements vide Note 24.
 - ii. The Company did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses.



- iii. The Company is not required to transfer to the Investor Education and Protection Fund.



For **Manish Kumar Agarwal & Co.**
Chartered Accountants
(Firm's Registration No.153871W)

Pulkit Goyal
(Partner)

Membership No.436460
UDIN# 22436460AAAAAM4661

Place: Mumbai

Date: 24th November,2021

ANNEXURE A

To the Independent Auditor's Report on the Standalone Ind AS Financial Statements of Kandla Container Terminal Private Limited -31st March, 2021

(Referred to in our Report of even date)

- i. In respect of its Property, Plant and Equipment:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The records do not show the location of the machinery and equipment.
 - b. The fixed assets were not entirely physically verified during the year by the Management.
 - c. According to the information and explanations given to us no immovable properties are held by the Company.
- ii. According to the information and explanations given to us, the Company's nature of operations does not require it to hold inventories and, accordingly, clause 3(ii) of the order is not applicable.
- iii. In respects of loans granted, unsecured to companies, firms or other parties covered in the Register maintained under Section 189 of the Act, according to the information and explanations given to us, the Company has continued with a loan of Rs. 59,32,253 given to a fellow subsidiary in the earlier period. Terms and conditions of the amount given are not reduced in writing. In our opinion and according to the information and explanation given to us, the above amount is interest free and without a repayment schedule.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 in respect investments guarantee and securities, except for charging of interest to loans given to a fellow subsidiary as mentioned in point (iii) above.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. According to the information and explanation provided to us, the Company is not required to maintain cost records as it does not meet the turnover criteria of Rs. Thirty five crore provided in Rule 3 of Companies (Cost Records and Audit) Rules, 2014. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable to the Company.



- vii. According to the information and explanations given to us, in respect of statutory dues.
- a. Undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Duty to Customs, Duty to Excise, Value Added Tax and other material statutory dues applicable to it have generally not been regularly deposited with the appropriate authorities. There were no undisputed amounts payable in respect of aforesaid statutory dues in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable except Service Tax of Rs. 2,51,87,284 and TDS of Rs. 1,95,27,219.
 - b. According to the information and explanation given to us, there are no disputed statutory dues in respect of Income Tax, Sales Tax, Wealth Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess which have not been disputed.
- viii. According to the information and explanations given to us, due to termination of the License agreement by the Company, Kandla Port Trust has taken over all the fixed assets of the Company at Port and also correspondingly all the secured liabilities have also been transferred to the Port during earlier period and as such, there are no liabilities outstanding towards banks. Company has not taken any loans from financial institutions or Government or raised funds by issuing any debentures.
- ix. According to the information and explanations given to us, the Company has neither raised moneys by making public offer of shares or debt instruments nor has it taken any term loan during the year.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud on the Company has been noticed or reported during the year.
- xi. To the best of our knowledge and according to the information and explanations given to us, the Company has not paid managerial remuneration during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. As explained to us transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. However we have not been provided with the copies of the board resolution for transactions with the related parties as disclosed in Note 21.



- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.



For **Manish Kumar Agarwal & Co.**
Chartered Accountants
(Firm's Registration No.153871W)

Pulkit Goyal
(Partner)

Membership No.436460
UDIN# 22436460AAAAAM4661

Place: Mumbai

Date: 24th November, 2021

Annexure B

To the Independent Auditor's Report on the Standalone Financial Statements of Kandla Container Terminal Private Limited- 31st March 2021

(Referred to in our Report of even date)

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

We have audited the internal financial controls with reference to financial statements **Kandla Container Terminal Private Limited** ("the Company") as at 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

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 our judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control 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 control with reference to financial statements includes those policies and procedures that:

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal financial controls with reference to financial statements as at 31st March, 2021:



The Company did not have an appropriate internal control system for obtaining periodic balance confirmations of trade payables, loans and advances which could potentially impact the financial position and operating statement.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effect/possible effects of the material weakness describe above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the company as at and for the year ended 31st March 2021, and the material weakness have affected our opinion on the standalone financial statements of the company and we have issued a modification opinion on the standalone statements.



For Manish Kumar Agarwal & Co.
Chartered Accountants
(Firm's Registration No.153871W)

Pulkit Goyal
(Partner)

Membership No.436460
UDIN# 22436460AAAAAM4661

Place: Mumbai
Date: 24th November,2021