Independent Auditor's Report

To the Members of Subarnarekha Port Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Subarnarekha Port Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') 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.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information 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

5. The accompanying financial statements have been approved by the Company's Board of Directors. 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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.

6. 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.

7. 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 Standards on Auditing 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.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

11. 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

12. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable 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 purpose of our audit of the accompanying financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 20 May 2020 as per Annexure B expressed unmodified opinion;

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2020;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

   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 31 March 2020; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

-Sd/-

Anamitra Das
Partner
Membership No.: 062191
UDIN No: 20062191AAAAFK4354

Place: Gurugram
Date: 20 May 2020

Annexure A to the Independent Auditor's Report of even date to the members of Subarnarekha Port Private Limited, on the financial statements for the year ended 31 March 2020

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including 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, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

Annexure A to the Independent Auditor's Report of even date to the members of Subarnarekha Port Private Limited, on the financial statements for the year ended 31 March 2020

(xi) Managerial remuneration has been paid / provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS.

(xiv) During the year, the company has made private placement of shares. In respect of the same, in our opinion, the company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle funds which were not required for immediate utilisation have been invested in liquid investments.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

-Sd/-

Anamitra Das
Partner
Membership No.: 062191
UDIN No: 20062191AAAAFK4354

Place: Gurugram
Date: 20 May 2020

Annexure B to the Independent Auditor's Report of even date to the members of Subarnarekha Port Private Limited, on the financial statements for the year ended 31 March 2020

Annexure B

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Subarnarekha Port Private Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors 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. 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 the Company's 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR.

Annexure B to the Independent Auditor's Report of even date to the members of Subarnarekha Port Private Limited, on the financial statements for the year ended 31 March 2020

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, 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 the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

-Sd/-

Anamitra Das
Partner
Membership No.: 062191
UDIN No: 20062191AAAAFK4354

Place: Gurugram
Date: 20 May 2020

Walker Chandiok & Co LLP

Financial Statements and Auditors' Report

Subarnarekha Port Private Limited

31 March 2020

Subarnarekha Port Private Limited
Balance Sheet as at 31 March 2020
(All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	2,518.47	4.04
Capital work in progress	3 (b)	6,696.66	4,972.35
Deferred tax assets	13	-	6.46
Other non-current assets	4	15.69	40.69
Non-current tax asset		1.92	1.64
Total non-current assets		**9,232.74**	**5,025.18**
Current assets			
Financial assets			
(i) Cash and cash equivalents	5 (a)	189.79	1,042.44
(ii) Other bank balances	5 (b)	102.76	72.10
(iii) Loans	6	9.16	1.90
Other current assets	7	7.46	-
Total current assets		**309.17**	**1,116.44**
Total assets		**9,541.91**	**6,141.62**
Equity and liabilities			
Equity			
Equity share capital	8	601.67	600.18
Other equity	9	3,460.91	3,476.48
Total equity		**4,062.58**	**4,076.66**
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	11 (a)	2,483.68	-
Provisions	12	10.84	10.84
Deferred tax liabilities (net)	13	43.75	-
Total non-current liabilities		**2,538.27**	**10.84**
Current liabilities			
Financial liabilities			
(i) Borrowings	14	2,493.59	2,001.81
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	10(a)	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprise	10(b)	7.67	-
(iii) Other financial liabilities	11 (b)	363.80	45.74
Current tax liabilities		0.13	0.13
Other current liabilities	15	75.87	6.44
Total current liabilities		**2,941.06**	**2,054.12**
Total liabilities		**5,479.33**	**2,064.96**
Total equity and liabilities		**9,541.91**	**6,141.62**

The accompanying notes 1 to 30 form an integral part of these financial statements

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

-Sd/-

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 20 May 2020

For and on behalf of the **Board of Directors of Subarnarekha Port Private Limited**

-Sd/-

Dibyendu Bose
Chairman

Place: Kolkata
Date: 20 May 2020

-Sd/-

Ramani Ramaswamy
Executive Director
DIN: 01070365

Place: Chennai
Date: 20 May 2020

Subarnarekha Port Private Limited
Statement of Profit and Loss for the year ended 31 March 2020
(All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations		-	-
Other income	16	0.02	7.81
Total income		**0.02**	**7.81**
Expenses			
Finance costs	17	-	21.32
Depreciation and amortisation expenses	18	2.51	0.30
Other expenses	19	19.22	9.02
Total expenses		**21.73**	**30.64**
Profit / (loss) before tax		**(21.71)**	**(22.83)**
Tax expenses			
Current tax		-	-
Deferred tax	20	50.20	-
Tax pertaining to prior years	20	1.13	(13.56)
		51.33	**(13.56)**
Profit/ (loss) after tax		**(73.04)**	**(9.27)**
Other comprehensive income:			
(a) Items that will not be reclassified subsequently to profit or loss:		-	-
(b) Items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive income for the year		**(73.04)**	**(9.27)**
Earnings per equity share			
Basic and diluted earnings per share (₹)	21	(1.22)	(0.15)

The accompanying notes 1 to 30 form an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

- Sd/-

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 20 May 2020

For and on behalf of the **Board of Directors of Subarnarekha Port Private Limited**

- Sd/-

Dibyendu Bose
Chairman

Place: Kolkata
Date: 20 May 2020

- Sd/-

Ramani Ramaswamy
Executive Director
DIN: 01070365

Place: Chennai
Date: 20 May 2020

Subarnarekha Port Private Limited
Statement of Cash Flows for the year ended 31 March 2020
(All amounts in ₹ lacs, unless otherwise stated)

			Year ended 31 March 2020	Year ended 31 March 2019
A.	**Cash flow from operating activities:**			
	Profit/ Loss before tax		**(21.71)**	**(22.83)**
	Adjustment for:			
	Depreciation and amortisation expenses		2.51	0.76
	Interest income		-	(5.56)
	Interest and other finance costs		-	21.32
	Liabilities no longer required written back		-	(2.25)
	Property, plant and equipment written off		1.14	-
	Operating profit/ (loss) before working capital changes:		**(18.06)**	**(8.56)**
	Adjustment for:			
	(Increase) in other current assets		(7.46)	-
	Increase/ (decrease) in other financial liabilities		117.19	(29.62)
	Increase in trade payables		7.67	-
	(Increase) in loans and advances given		(7.26)	-
	Increase in other current liabilities		69.43	6.44
	Cash generated from/ (used in) operations		**161.51**	**(31.74)**
	Income taxes paid (net of refund)		(1.40)	(0.74)
	Net cash generated / (used in) from operating activities	**(A)**	**160.11**	**(32.48)**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipments		(4.21)	(2.63)
	Construction of property plant and equipment (capital work in progress)		(1,161.54)	(1,945.49)
	Loans and advances repaid		-	5.15
	(Investment)/ redemption in fixed deposits		(30.00)	-
	Interest Income received during the period		18.47	5.23
	Net cash used in investing activities	**(B)**	**(1,177.28)**	**(1,937.74)**
C.	**Cash flow from financing activities**			
	Proceeds from issue of equity shares		58.96	1,000
	Net proceeds from short term borrowings		300.00	3,001.81
	Repayment of short term borrowings		-	(1,000.00)
	Repayment of principal portion of lease liabilities		(192.67)	-
	Interest on lease liabilities		(1.77)	-
	Other interests and finance costs		-	(21.32)
	Net cash generated from financing activities	**(C)**	**164.52**	**2,980.49**
	Net increase /(decrease) in cash and cash equivalents	**(A+B+C)**	**(852.65)**	**1,010.27**
	Cash and cash equivalents as at the beginning of the year		**1,042.44**	**32.17**
	Cash and cash equivalents as at the end of the year		**189.79**	**1,042.44**

Notes:

i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows".

ii) Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financial activities are as under:

Particulars	Balance as on 31 March 2020	Balance as on 31 March 2019
Short term borrowings:		
- Opening balance	2,001.81	-
- Received during the year	300.00	3,001.81
- Interest accrued during the year (transferred to CWIP)	191.78	-
- Repayment made during the year	-	(1,000.00)
Total liabilities from financing activities	**2,493.59**	**2,001.81**

	As at 31 March 2020	As at 31 March 2019
iii) Cash and cash equivalents comprises of:		
Cash on hand	0.05	0.07
Balances with banks		
- In current accounts	189.74	42.37
Bank deposits with original maturity less than 3 months	-	1,000.00
	189.79	**1,042.44**

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

-Sd/-

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 20 May 2020

For and on behalf of the **Board of Directors of Subarnarekha Port Private Limited**

-Sd/-

Dibyendu Bose
Chairman

Place: Kolkata
Date: 20 May 2020

-Sd/-

Ramani Ramaswamy
Executive Director
DIN: 01070365

Place: Chennai
Date: 20 May 2020

Subarnarekha Port Private Limited
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts in ₹ lacs, unless otherwise stated)

(A) Equity

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Balance at the beginning of the year	6,001,773	600.18	5,750,307	575.03
Changes in Equity Share capital during the year	14,950	1.49	251,466	25.15
Balance at the end of the year	**6,016,723**	**601.67**	**6,001,773**	**600.18**

(B) Other equity

	Reserves and surplus		Other comprehensive income	Total
	Retained earnings	Securities premium account		
As at 01 April 2018	**(10.43)**	**2,534.97**	-	**2,524.54**
Loss for the year	(9.27)	-	-	(9.27)
Securities premium received	-	974.85	-	974.85
Share issue expenses adjusted against securities premium account	-	(13.64)	-	(13.64)
As at 31 March 2019	**(19.70)**	**3,496.18**	-	**3,476.48**
Loss for the year	**(73.04)**	**-**	**-**	**(73.04)**
Securities premium received	**-**	**57.47**	**-**	**57.47**
Items of other comprehensive income, net of tax	**-**	**-**	**-**	**-**
As at 31 March 2020	**(92.74)**	**3,553.65**	**-**	**3,460.91**

This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

-Sd/-

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 20 May 2020

For and on behalf of the **Board of Directors of**
Subarnarekha Port Private Limited

-Sd/-

Dibyendu Bose
Chairman

Place: Kolkata
Date: 20 May 2020

-Sd/-

Ramani Ramaswamy
Executive Director
DIN: 01070365

Place: Chennai
Date: 20 May 2020

1.1 Background

Subarnarekha Port Private Limited is a private company limited by shares, incorporated and domiciled in India with its registered office in Bhubaneswar, Orissa, India. The Company is a SPV (Special purpose vehicle) incorporated to adhere the terms of agreement entered by Creative Port Development Private Limited with the Odisha Government to develop the Subarnarekha Port in Odisha. On 18 September, 2018, Tata Steel Limited, a public limited Company incorporated in India with its registered office in Mumbai, Maharashtra, India and listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), acquired stake in the Company. The Company is a step down subsidiary of Tata Steel Limited.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 20 May 2020.

1.2 Basis of preparation

(a) General information and statement of compliance with Indian Accounting Standards

These financial statements are prepared in accordance with Indian Accounting Standards (" Ind AS") under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value, the provisions of the Companies Act, 2013 ("the Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

(b) Use of estimates and critical accounting judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for income taxes, classification of assets and liabilities into current and non-current and the useful lives of tangible assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Details of critical estimates and judgments used which have a significant effect on the carrying amounts of assets and liabilities, are provided in the following notes:

(i) Income tax:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Refer note no.20

(ii) Impairment of assets:

Refer note 2 (e) for details.

(iii) Classification of leases:

Refer note 2 (k) for details.

(iv) Estimation of provisions and contingencies:

Refer note 2 (l) for details.

(v) Recognition of deferred tax assets:

Refer note 2 (m) for details.

(vi) Fair value measurements:

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

The Company presents all its assets and liabilities in the Balance Sheet based on current or non-current classification. Assets and liabilities are classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

2 Significant accounting policies

(a) Revenue recognition

Revenue from operations:

Ind AS 115 promotes to create a single model for revenue recognition for contracts. It applies to most revenue arrangements. Among other things, it changes the criteria for determining whether revenue is recognised at a point in time or over time. It provides a new contract-based five-step revenue model for revenue recognition and measurement. The Company is in pre-operating stage and there are no revenue from operations. Hence revenue recognition requirements of Ind AS 115 have not been applied.

Interest income:

Interest income from financials assets is recorded on accrual basis using the effective interest rate (EIR) method.

2 Significant accounting policies (cont'd)

(b) Property, plant and equipment

Recognition and initial measurement:

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss, when the asset is de-recognised.

(c) Depreciation and amortisation of property, plant and equipment

Depreciation is provided on a pro-rata basis on the written down value (WDV) method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. Residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each balance sheet date and any change in them is adjusted prospectively.

(d) Capital work In progress

Recognition and initial measurement:

Capital assets under construction are classified as capital work in progress and carried at cost . The cost comprises all directly attributable costs, including borrowing cost if capitalization criteria are met, provided, future economic benefits are expected to be received from its use.

The company has entered into a contract with the Government of Orissa for construction, operation and maintenance of an all-weather multipurpose port, under the 'Build, Own, Operate, share & Transfer' model (BOOST). The construction period as per contract is 4 years, and thereafter, the company shall have exclusive operating and maintenance rights for 30 years (which is further extendable for a period of 20 years by mutual agreement). Till such time the construction of the port is complete, all directly attributable costs associated with construction of the port has been capitalized and shown as 'Capital Work in Progress'. Post completion of such construction, the company would recognize 'property, plant and equipments' in its books and the same would be depreciated over the remaining life of the concession arrangement in a manner which best represents the pattern of consumption of economic benefits arising from use of the asset.

(e) Impairment

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment (including capital work in progress) to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

(f) Financial instruments

Classification:

The Company classifies its financial assets in the following measurement categories depending on the Company’s business model for managing such financial assets and the contractual cash flow terms of the asset.

i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

ii) those subsequently measured at amortised cost.

For assets measured at fair value, gains or losses are either recorded in the Statement of Profit and Loss or Other Comprehensive Income.

Measurement:

At initial recognition, the Company measures a financial asset (other than those carried at fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss as and when they are incurred.

(g) Financial instruments

Debt instruments

Subsequent measurement of debt instruments depends on the Company’s business model managing such debt instruments and the contractual cash flow characteristics of the instrument. There are three measurement categories into which the debt instruments are classified:

i) Amortised cost: Business model managing such asset has the objective to realise the contractual cash flows arising from the asset by holding such asset and the contractual cash flows represent solely payments of principal and interest on the outstanding amount of principal, measured at amortised cost. A gain or loss on a financial asset subsequently measured at amortised cost is recognised in the Statement of Profit or Loss when the asset is de-recognised or impaired.

2 Significant accounting policies (cont'd)

ii) Fair value through other comprehensive income (FVOCI): Business model managing such asset has the objective to collect the contractual cash flows arising from such asset and to sale the asset, where such contractual cash flows represent solely payments of principal and interest on the outstanding amount of principal, measured at fair value through other comprehensive income (FVOCI). Changes in fair value of such instruments are recognised through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other income.

iii) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in Statement of Profit and Loss in the period in which it arises.

De-recognition:
A financial asset is de-recognised when:
i) Contractual right to receive cash flows from such financial asset expires;
ii) Company transfers the contractual right to receive cash flows from the financial asset; or
iii) Company retains the right to receive the contractual cash flows from the financial asset, but assumes a contractual obligation to pay such cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards associated with the ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company does not retain control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in such financial asset.

(h) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains or losses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(i) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying asset are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get itself ready for the intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

(j) Cash and Bank balances

Cash and Bank Balances comprise:
Cash and cash equivalents-
(i) Cash and cash equivalents comprise of cash-on-hand and demand deposits with banks. The Company considers it’s highly liquid, short-term investments (having maturity less than three months) which can be readily converted to fixed/determinable amount of money and subject to insignificant risks arising from changes in their fair values, as cash equivalents. Accordingly time deposits with banks along with interest accrued thereon, having original maturity less than three months, is considered as cash equivalent.
(ii) Other bank balances - which includes deposits with banks having maturity exceeding three months but not more than 12 months. Balances and deposits with banks which are restricted for usage and withdrawal are also included under this head.

(k) Leases

New standards adopted as at 1 April 2019

Ind AS 116 “Leases” has been introduced which replaces the earlier Ind AS 17 and is applicable w.e.f. April 1, 2019

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new standard has been applied using the modified retrospective approach, where right-to-use asset is measured equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments existed at the date of transition. Prior periods have not been restated.

Accounting policy applicable from 1 April 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

'- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company

'- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has shown the right-of-use assets and lease liabilities on the face of statement of financial position.

Accounting policy applicable before 1 April 2019

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

A lease is classified at the inception date as a finance lease or an operating lease. A lease which transfers substantially all risks and rewards incidental to the ownership of the leased asset is classified as a finance lease. All other lease arrangements are classified as operating leases.

The determination of whether an arrangement contains a deemed lease is based on the substance of the arrangement at the inception of the lease. The arrangement contains a deemed lease if fulfilment of the arrangement depends on the use of a specific asset or assets and the arrangement conveys to the transferee a right to use the specific asset(s), even if such right is not explicitly specified in the arrangement.

Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed

2 Significant accounting policies (cont'd)

(l) Provisions, contingent liabilities and contingent assets

Provisions:

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of such obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date. If the effect of time value of money is material i.e., the obligation is to be settled after a period of 12 months from the end of the reporting date, such provisions are discounted to reflect its present value using a pre-tax discounting rate that reflects the current market assessments of time value of money and risks specific to the obligation. When discounting is used, increase in the provision amount due to the passage of time is recognised as finance cost.

Contingent liabilities:

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

Contingent assets:

Contingent assets are not recognised in the financial statement. However when there is a virtual certainty that an inflow of resources embodying economic benefits will arise from the contingent asset, such asset and the related income is recognised in the period in which the changes occurred.

(m) Income tax

Income tax expense for the period is the tax payable on the current period’s taxable income based on the applicable income tax rates with adjustments for changes in deferred tax assets or liabilities attributable to temporary differences and unused tax losses or credits.

Current tax is calculated based on tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised on temporary differences arising from the tax bases of assets and liabilities and their respective carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that does not result from a business combination and at the time of such transaction, affects neither the accounting profit or loss nor taxable profit (tax loss) for the period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that the future taxable amounts will be available against which those temporary differences/losses can be utilised. Minimum alternate tax (‘MAT’) credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Current tax assets and tax liabilities are offsetted where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. 'Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. As per requirements of Ind AS 108, 'Segment Reporting', no disclosures are required to be made since the Company's activities consists of a single business segment of construction, operating and maintenance of port services.

(o) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the interim condensed financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(p) Earnings per equity share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of outstanding equity shares, without a corresponding change in the resources. For the purpose of calculating diluted earnings per equity share, net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. As on the balance sheet date, the Company has no dilutive potential equity shares.

(All amounts in ₹ lacs, unless otherwise stated)

3 (a) Property, plant and equipment

	Computer	Furniture and fixtures	Vehicles	Office equipments	Right to use (ROU) under lease - Land	Total
Gross block						
Balance as at 01 April 2018	-	4.89	0.27	0.33	-	5.49
Additions	1.24	-	-	1.39	-	2.63
Disposal	-	-	-	-	-	-
Balance as at 31 March 2019	**1.24**	**4.89**	**0.27**	**1.72**	**-**	**8.12**
Additions	3.19	0.20	-	0.82	2,600.83	2,605.04
Disposal	-	(3.75)	-	(0.16)	-	(3.91)
Balance as at 31 March 2020	**4.43**	**1.34**	**0.27**	**2.38**	**2,600.83**	**2,609.25**
Accumulated depreciation						
Balance as at 01 April 2018	**-**	**2.98**	**0.21**	**0.13**	**-**	**3.32**
Charge for the year	0.05	0.11	0.03	0.11	-	0.30
Other adjustments	0.10	0.35	-	0.01	-	0.46
Disposal/adjustments	-	-	-	-	-	-
Balance as at 31 March 2019	**0.15**	**3.44**	**0.24**	**0.25**	**-**	**4.08**
Charge for the period	1.14	0.13	0.02	1.22	-	2.51
Other adjustments*	1.07	0.09		0.20	85.59	86.95
Disposal/adjustments	-	(2.63)	-	(0.13)	-	(2.76)
Balance as at 31 March 2020	**2.36**	**1.03**	**0.26**	**1.54**	**85.59**	**90.78**
Net Block						
Balance as at 31 March 2019	**1.09**	**1.45**	**0.03**	**1.47**	**-**	**4.04**
Balance as at 31 March 2020	**2.07**	**0.31**	**0.01**	**0.84**	**2,515.24**	**2,518.47**

Note:
* Other adjustments represents depreciation on right of use assets which has been transferred to capital work in progress.

3 (b) Capital work in progress

	Amount
Balance as at 01 April 2018	**2,968.18**
Additions during the year	2,004.17
Capitalised during the year	-
Balance as at 31 March 2019	**4,972.35**
Additions during the year	1,724.31
Capitalised during the year	-
Balance as at 31 March 2020	**6,696.66**

Note:
Capital work in progress represents the cost incurred till date, which are directly attributable to construction of the port. The expenditure incidental to the setting up of the project is included in capital work in progress the same will be capitalised on completion of the project and commencement of operations. The following expenses has been capitalised till date:

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	4,972.35	2,968.18
Expenses during the year:		
Salary and wages	89.58	68.72
Director's remuneration	150.00	80.00
Legal and professional fees	0.59	18.46
Professional fees	38.59	34.49
Project development expense	711.33	1,497.16
Rent	1.40	218.19
Travel and tours	37.54	25.48
Finance cost	440.94	-
Others	254.34	61.67
Amount included in capital work in progress	**6,696.66**	**4,972.35**

3 (c) Lease liabilities

	Amount
Balance as on 01 April 2019	2,592.75
Addition during the year	39.25
Add; Interest expense accrued on lease liabilities	246.99
Less: Lease liabilities paid	(194.44)
Closing balance as at 31 March 2020	**2,684.55**
Current	200.87
Non-current	2,483.68

(All amounts in ₹ lacs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
4	**Other non-current assets**		
	Capital advances	15.69	40.69
		15.69	**40.69**
5	**Cash and bank balances**		
(a)	**Cash and cash equivalents**		
	Cash on hand	0.05	0.07
	Balances with banks		
	- In current accounts	189.74	42.37
	- Deposits having original maturity less than 3 months	-	1,000.00
		189.79	**1,042.44**
(b)	**Other bank balances**		
	Bank deposits with original maturity more than 3 months, but less than 12 months	102.76	72.10
		102.76	**72.10**
6	**Loans**		
	Current		
	(Unsecured, considered good)		
	Security deposits	9.16	1.90
		9.16	**1.90**
7	**Other current assets**		
	Balance with Government authorities	7.46	-
		7.46	**-**

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
	Number	**Amount**	**Number**	**Amount**
8 Equity share capital				
Authorized share capital				
Equity shares of ₹ 10 each	10,000,000	1,000.00	10,000,000	1,000.00
	10,000,000	**1,000.00**	**10,000,000**	**1,000.00**
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	6,016,723	601.67	6,001,773	600.18
	6,016,723	**601.67**	**6,001,773**	**600.18**

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

	Number	Amount	Number	Amount
Balance at the beginning of the year	6,001,773	600.18	5,750,307	575.03
Add : Issued during the year	14,950	1.49	251,466	25.15
Balance at the end of the year	**6,016,723**	**601.67**	**6,001,773**	**600.18**

(b) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

(c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

	As at 31 March 2020		As at 31 March 2019	
Name of the shareholders	**Number**	**Percentage**	**Number**	**Percentage**
Fully paid-up equity shares of ₹ 10 each:				
(a) Creative Port Development Private Limited (Holding company)	5,114,550	85%	5,099,600	85%
(b) Millers Capital Investments Pte. Ltd.	477,795	8%	477,795	8%
(c) Tata Steel Limited (Ultimate holding company)	424,178	7%	424,178	7%

(d) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Such holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings, however, no such preferential amounts exists currently. During this financial year the Company has not proposed/declared any dividend. However, if any dividend is proposed by the Board of Directors, it will be subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

	As at 31 March 2020	As at 31 March 2019
9 Other equity		
Other reserves		
Securities premium account	3,496.18	3,496.18
Add: Received during the year	57.47	-
Total	**3,553.65**	**3,496.18**
Retained earnings		
Balance at the beginning of the year	(19.70)	(10.43)
Add: Loss for the year	(73.04)	(9.27)
Balance at the end of the year	**(92.74)**	(19.70)
	3,460.91	**3,476.48**

Nature and purpose of reserves:

Securities premium
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

Retained earnings
Retained earnings are the profits that the Company has earned till date. No transfers have been made to the general reserves and no dividends and other distributions has been made to the shareholders.

	As at 31 March 2020	As at 31 March 2019
10 Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 26)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7.67	-
	7.67	**-**
11 Other financial liabilities		
(a) **Non-current**		
Lease liabilities	2,483.68	-
	2,483.68	**-**
(b) **Current**		
Current maturities of lease liabilities	200.87	-
Other payables	162.93	45.74
	363.80	**45.74**

(All amounts in ₹ lacs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
12	**Provisions**		
	Non-current		
	Provision for employee benefits	10.84	10.84
		10.84	**10.84**
13	**Deferred tax liabilities (net)**		
(i)	**Deferred tax liability:**		
	Lease rental payments	50.88	-
	Total deferred tax liabilities	**50.88**	**-**
	Less:		
	Deferred tax assets:		
	Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	1.76	3.90
	Provision for employee benefits	2.81	-
	Total deferred tax assets	**4.57**	**3.90**
	Deferred tax liabilities	**46.31**	**(3.90)**
(ii)	**Deferred tax assets**		
	Unutilised MAT credit	2.56	2.56
	Deferred tax assets	**2.56**	**2.56**
	Deferred tax liabilities/ (asset) (net)	**43.75**	**(6.46)**

I) Movement in deferred tax liabilities (assets) for the year ended 31 March 2020:

Particulars	As at 01 April 2019	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2020
Deferred tax liabilities for taxable temporary differences on:				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	9.66	(9.66)	-	-
Lease rentals paid during the year	-	50.88	-	50.88
Total	**9.66**	**41.22**	**-**	**50.88**
Deferred tax assets for deductible temporary differences on:				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	13.56	(11.80)	-	1.76
Provision for employee benefits	-	2.81	-	2.81
	13.56	**(8.99)**	**-**	**4.57**
Deferred tax liabilities/ (assets), net	**(3.90)**	**50.21**	**-**	**46.31**

II) Movement in deferred tax liabilities (assets) for the year ended 31 March 2019:

Particulars	As at 01 April 2018	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2019
Deferred tax liabilities for taxable temporary differences on:				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	9.66	-	-	**9.66**
Total	**9.66**	**-**	**-**	**9.66**
Deferred tax assets for deductible temporary differences on:				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	-	13.56	-	**13.56**
	-	**13.56**	**-**	**13.56**
Deferred tax assets , net	**9.66**	**(13.56)**	**-**	**(3.90)**

Note:

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

		As at 31 March 2020	As at 31 March 2019
14	**Borrowings**		
	Current		
	Unsecured		
	Inter corporate deposits	2,493.59	2,001.81
		2,493.59	**2,001.81**
15	**Other current liabilities**		
	Statutory dues	25.87	6.44
	Salary payable	50.00	-
		75.87	**6.44**

(All amounts in ₹ lacs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
16	**Other income**		
	Interest income:		
	- from bank deposits	-	5.56
	- from IT Refund	0.02	-
	- liabilities no longer required written back	-	2.25
		0.02	**7.81**
17	**Finance costs**		
	Interest on financial liabilities	-	21.32
		-	**21.32**
18	**Depreciation expense**		
	Depreciation of property, plant and equipment (refer note 3)	2.51	0.30
		2.51	**0.30**
19	**Other expenses**		
	Payment to auditor	4.52	3.11
	Rates and taxes	-	0.05
	Repairs and maintenance - others	-	0.06
	Legal and professional fees	10.27	0.00
	Property, plant and equipment written off	1.14	-
	Interest on Lease rentals	-	4.86
	Miscellaneous expenses	3.29	0.94
		19.22	**9.02**
	Note:		
	Auditors' remuneration		
	Statutory Audit	4.52	3.11
		4.52	**3.11**

		Year ended 31 March 2020	Year ended 31 March 2019
20	**Tax expense**		
(a)	**Income tax in the statement of profit and loss:**		
	Current tax	-	-
	Deferred tax	50.20	-
	Tax pertaining to previous years	1.13	(13.56)
		51.33	**(13.56)**
(b)	**Reconciliation of income tax expense and the accounting profit for the year:**		
	Profit before tax	(21.71)	(22.83)
	Enacted tax rates (%)	**26%**	**26%**
	Income tax expense calculated at corporate tax rate	(5.64)	(5.88)
	Adjustment for tax relating to earlier years	50.20	-
	Impact on account of non-deductible expenses	-	-
	Income exempted from tax	-	-
	Adjustment of tax relating to earlier years	1.13	(13.56)
	Other adjustments	5.64	5.88
	Total income tax expense as per the statement of profit and loss	**51.33**	**(13.56)**

		As at 31 March 2020	As at 31 March 2019
(c)	**Income tax balances**		
	Current tax liabilities		
	Opening balance	0.13	0.13
	Closing balance	**0.13**	**0.13**
	Non-current tax assets		
	Opening balance	1.64	0.90
	Add: Taxes paid/ (refund received)	0.28	0.74
	Closing balance	**1.92**	**1.64**

		Year ended 31 March 2020	Year ended 31 March 2019
21	**Earnings per equity share (EPS)**		
	Loss attributable to equity shareholders (in ₹ lacs)	(73.04)	(9.27)
	Weighted average number of equity shares outstanding during the year	6,005,212	5,993,543
	Face value per share (in ₹)	10.00	10.00
	Earnings per share (in ₹):		
	- Basic earnings per equity share	(1.22)	(0.15)
	- Diluted earnings per equity share	(1.22)	(0.15)

22 Leases

The Company has lease agreement of two types that is land lease and office space lease, where the agreement is usually for a period of 3-34 years with Government of Orissa and with individuals, where the lease agreement is for the right of use of land and office space respectively. Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets under the balance sheet head 'property, plant and equipment'

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security.

A Lease payments not included in measurement of lease liability

The Company did not entered into any lease arrangements which are either of low value or are considered as short term leases.

B Impact on transition

1 Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. Accordingly, the Company has recognized right of use asset equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in that balance sheet immediately before the date of initial application.
On transition, the adoption of new standard resulted in recognition of lease liability of ₹ 2,632 lacs and corresponding right of use asset of ₹ 2,600.83 lacs adjusted by provision of ₹ 31.17 lacs.

2 Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

3 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9.72% per annum

4 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	**As at 31 March 2020**
Total Operating lease commitments disclosed as at 31 March 2019	10,743.87
Other adjustments relating to lease commitment disclosures	
-Contractual payments of non-lease components accounted for as part of single lease	-
Operating lease liabilities before discounting	**10,743.87**
Discounting impact (using incremental borrowing rate)	(8,151.12)
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	**2,592.75**

(All amounts in ₹ lacs, unless otherwise stated)

23 Contingent liabilities and commitments

Commitments

Estimated amount of capital contracts remaining to be executed and not provided for as on the Balance Sheet date are:

	As at 31 March 2020	**As at 31 March 2019**
Capital commitments for property, plant and equipment (including capital work-in-progress) (net of capital advance)	867.12	1,128.77

24 Segment reporting:

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance in a single segment viz. "Development and construction of the port". Accordingly, disclosures relating to business and geographical segments under Ind AS 108 on Segment Reporting are not relevant to the Company.

25 Disclosure in accordance with Ind AS-19 on Employee benefits expense

The company at present does not have any defined contribution/benefit plan/retirement plan or other such employee benefit plan.

26 Dues to micro and small enterprises as per MSMED Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Particulars	**31 March 2020**	**31 March 2019**
(a) The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	-	-
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

27 Covid 19 Impact

The COVID-19 lockdowns have had a worldwide impact, the ramifications of which will play out over the next few months and years. The situation is evolving and the assessment of impact due to COVID-19 is a continuous process, given the uncertainties. The company will periodically make an assessment of the situation and its impact on our business during the Financial Year 2020-21 and undertake necessary action to mitigate any negative impacts to business. Nonetheless, the business is expected to stabilise in the medium term.

The company, at present, has no operational business activity and hence does not expect any material fall in its net worth value owing to this reduction in business operations and hence there will be no impact on going concern. There were no significant adjusting events that would have any material impact in the Company's Financial Statements for the year ended 31st March 2020.

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(All amounts in ₹ lacs, unless otherwise stated)

28 Fair value measurements

(a) Category wise classification of financial instruments:

Particulars	As at 31 March 2020	As at 31 March 2019
A. Financial assets:		
i) **Carried at cost**		
Cash and cash equivalents	189.79	1,042.44
Bank balances other than cash and cash equivalents above	102.76	72.10
Loans	9.16	1.90
Total financial assets	**301.71**	**1,116.44**
B. Financial liabilities		
(i) Measured at amortised cost		
Borrowings	2,493.59	2,001.81
Trade payables	7.67	-
Other financial liabilities	2,847.48	45.74
Total financial liabilities	**5,348.74**	**2,047.55**

(c) Fair value hierarchy

The company does not have any assets and liabilities which are measured at fair value as at Balance Sheet date and hence the classification of fair value by category and level of input used, is not applicable.

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(All amounts in ₹ lacs, unless otherwise stated)

29 Related party disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March

(a) List of related parties

i. Name of the related parties and description of Relation

Name	Relationship
Tata Steel Limited	Ultimate holding company
Creative Port Development Private Limited	Holding company
CI Megaprojects Private Limited	Enterprise where KMP has significant influence
TM International Logistics Limited	Fellow subsidiary

ii. Key Managerial personnel

Name	Relationship
Dibyendu Bose	Director
Rajiv Mukerji	Director
R. Rangarajan	Executive Director
Ramani Ramaswamy	Executive Director
Dibyendu Dutta	Director
Dinesh Shastri	Director
Swati Sheth	Company Secretary

(b) Transactions with related parties

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Issue of equity shares:		
Tata Steel Limited	-	1,000.00
Creative Port Development Private Limited	58.96	-
Remuneration to directors:		
R Rangarajan	75.00	40.00
R Ramaswamy	75.00	40.00
Loans and advances repaid:		
R Rangarajan	-	35.87
R Ramaswamy	-	2.06
Creative Port Development Private Limited	-	49.36
CI Megaprojects Private Limited	-	1.60
Intercorporate deposit received		
Tata Steel Limited	300.00	2,001.81
Interest on inter-corporate deposits		
Tata Steel Limited	213.08	-
Loans and advances given		
CI Megaprojects Private Limited	-	1.60
Loans and advances taken		
R Rangarajan	-	30.00
Professional fees		
TM International Logistics Limited	0.52	-
Deputation charges paid		
Tata Steel Limited	99.81	-

(c) Balances of related parties:

Particulars	As at 31 March 2020	As at 31 March 2019
Intercorporate deposit payable:		
Tata Steel Limited	2,493.59	2,001.81
Other payables:		
Tata Steel Limited	90.89	-
R Rangarajan	25.00	-
R Ramaswamy	25.00	-
TM International Logistics Limited	0.47	-

(All amounts in ₹ lacs, unless otherwise stated)

30 Financial risk management

Company's business activities are exposed to a variety of financial risks like credit risk, market risks and liquidity risk. Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyze potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies need approval of it's Board of Directors.

(a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as other balances with banks, loans and other receivables.

Other financial instruments

The Company has no exposure to credit risk relating to its cash and cash equivalents. Credit risk for other financial instruments are monitored by the company in accordance with its overall risk management policies.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks comprises of three types - interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The company does not have borrowings with variable interest rates, investments in equity instruments or derivatives which are susceptible to change in value on account of market prices.

(c) Liquidity risk:

Liquidity risk is the risk that the Company may not be able to meet its contractual obligations associated with its financial liabilities. The company manages its liquidity risk by preparing and continuously monitoring business plans or rolling cash flow forecasts which ensures that the funds required for carrying on its business operations and meeting its financial liabilities are available in a timely manner and at an optimal cost. The Company plans to meet the contractual obligations from its internal accruals and also maintains sufficient fund based and non-fund based credit limits with banks. Additionally, surplus funds are parked in short term bank deposits which can be readily liquidated when required.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis and includes contractual interest payments.

Contractual maturity of financial liabilities	Upto 1 year	1 year to 3 year	More than 3 year	Total
As at 31 March 2020				
Borrowings	2,493.59	241.73	-	**2,735.32**
Lease liabilities	200.87	432.47	2,051.21	**2,684.55**
Trade payables	7.67	-	-	**7.67**
Other financial liabilities	162.93	-	-	**162.93**
As at 31 March 2019				
Borrowings	2,001.81	210.78	-	**2,212.59**
Other financial liabilities	45.74	-	-	**45.74**

(d) Capital management

For the purpose of Company's capital management, capital includes issued equity share capital, other equity reserves and borrowings less cash and cash equivalents. The primary objective of capital management is to maintain an efficient capital structure to reduce the cost of capital, support corporate expansion strategies and to maximise shareholder's value. Company has fund based and non fund based credit facilities with banks from which it borrows during peak seasons to meet its working capital requirements. However such short term borrowings are generally squared off as on the Balance Sheet date.

Following table summarizes the capital structure of the Company

Particulars		As at 31 March 2020	As at 31 March 2019
Borrowings		2,493.59	2,001.81
Less: Cash and bank balances		292.55	1,114.54
Net borrowings	**(A)**	**2,201.04**	**887.27**
Total equity		4,062.58	4,076.66
Total capital (equity + net borrowings)	**(B)**	**6,263.63**	**4,963.93**
Debt equity ratio	**(A)/(B)**	**35.14%**	**17.87%**

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

-Sd/-

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 20 May 2020

For and on behalf of the **Board of Directors of Subarnarekha Port Private Limited**

-Sd/-

Dibyendu Bose
Chairman

Place: Kolkata
Date: 20 May 2020

-Sd/-

Ramani Ramaswamy
Director
DIN: 01070365

Place: Chennai
Date: 20 May 2020