Walker Chandiok & Co LLP

Financial Statements and Auditors' Report

Subarnarekha Port Private Limited

31 March 2021

Walker Chandiok & Co LLP
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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 2021, 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 of the Company as at 31 March 2021, and its profit (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. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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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.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

11. As required by 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.

12. 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.

13. 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 2021 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 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 22 April 2021 as per Annexure B expressed unmodified opinion; and

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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 2021 (Cont'd)

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 2021;

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 2021;

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 2021; 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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Anamitra Das
Partner
Membership No.: 062191

UDIN No: 21062191AAAAHS6185

Place: Gurugram
Date: 22 April 2021

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 2021

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 property, plant and equipment.

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deed of all the immovable property (which are included under the head 'property, plant and equipment') are held in the name of the Company.

(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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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 2021

(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.

(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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(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

Anamitra Das
Partner
Membership No.: 062191

UDIN No: 21062191AAAAHS6185

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: 22 April 2021

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 2021

Annexure B

Independent Auditor's Report on the Internal Financial Controls with reference to the financial statements 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 2021, we have audited the internal financial controls over financial reporting 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 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 (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 with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the 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 internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of includes obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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 2021

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls 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 Control Over Financial Reporting issued by the ICAI.

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

Anamitra Das
Partner
Membership No.: 062191

UDIN No: 21062191AAAAHS6185

Place: Gurugram
Date: 22 April 2021

Subarnarekha Port Private Limited
Balance Sheet as at 31 March 2021
(All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	2,429.03	2,518.47
Capital work in progress	3 (b)	7,798.01	6,696.66
Financial assets			
Loans	4	9.16	9.16
Deferred tax assets (net)	5	87.60	-
Non-current tax asset		0.62	1.79
Other non-current assets	6	85.59	23.15
Total non-current assets		**10,410.01**	**9,249.23**
Current assets			
Financial assets			
(i) Cash and cash equivalents	7 (a)	101.52	189.79
(ii) Other bank balances	7 (b)	102.22	102.76
Total current assets		**203.74**	**292.55**
Total assets		**10,613.75**	**9,541.78**
Equity and liabilities			
Equity			
Equity share capital	8	601.67	601.67
Other equity	9	3,582.53	3,460.91
Total equity		**4,184.20**	**4,062.58**
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	11 (a)	2,514.46	2,483.68
Provisions	12	10.84	10.84
Deferred tax liabilities (net)	5	-	43.75
Total non-current liabilities		**2,525.30**	**2,538.27**
Current liabilities			
Financial liabilities			
(i) Borrowings	13	3,411.94	2,493.59
(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 enterprises	10(b)	-	7.67
(iii) Other financial liabilities	11 (b)	483.99	363.80
Other current liabilities	14	8.32	75.87
Total current liabilities		**3,904.25**	**2,940.93**
Total liabilities		**6,429.55**	**5,479.20**
Total equity and liabilities		**10,613.75**	**9,541.78**

The accompanying notes 1 to 29 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

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 22 April 2021

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

Dibyendu Bose
Chairman
DIN: 00282821

Place: Kolkata
Date: 22 April 2021

Ramani Ramaswamy
Executive Director
DIN: 01070365

Place: Chennai
Date: 22 April 2021

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

SUBARNAREKHA PORT PRIVATE LIMITED *

Subarnarekha Port Private Limited
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations		-	-
Other income	15	0.10	0.02
Total income		**0.10**	**0.02**
Expenses			
Depreciation and amortisation expenses	16	1.10	2.51
Other expenses	17	8.73	19.22
Total expenses		**9.83**	**21.73**
Loss before tax		**(9.73)**	**(21.71)**
Tax expenses			
Current tax		-	-
Deferred tax	5	(36.77)	50.20
Tax pertaining to prior years		(94.58)	1.13
		(131.35)	**51.33**
Profit / (Loss) after tax		**121.62**	**(73.04)**
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		**121.62**	**(73.04)**
Earnings per equity share			
Basic and diluted earnings per share (₹)	19	2.02	(1.22)

The accompanying notes 1 to 29 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

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 22 April 2021

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

Dibyendu Bose
Chairman
DIN: 00282821

Place: Kolkata
Date: 22 April 2021

Ramani Ramaswamy
Executive Director
DIN: 01070365

Place: Chennai
Date: 22 April 2021

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

SUBARNAREKHA PORT PRIVATE LIMITED *

Subarnarekha Port Private Limited
Statement of Cash Flows for the year ended 31 March 2021
(All amounts in ₹ lacs, unless otherwise stated)

			Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash flows from operating activities:**			
	Loss before tax		(9.73)	(21.71)
	Adjustment for:			
	Depreciation and amortisation expenses		1.10	2.51
	Interest on IT refund		(0.10)	(0.02)
	Property, plant and equipment written off		-	1.14
	Operating loss before working capital changes		(8.73)	(18.08)
	Adjustment for:			
	(Increase) in other assets		(67.44)	(7.46)
	Increase in other financial liabilities		101.63	117.19
	(Decrease)/ increase in trade payables		(7.67)	7.67
	(Increase) in loans and advances given		-	(7.26)
	Decrease/ (increase) in other current liabilities		(67.55)	69.43
	Cash (used in)/ generated from operations		(49.76)	161.49
	Income taxes paid (net of refund)		1.17	(1.40)
	Net cash (used in)/ generated from operating activities	(A)	(48.59)	160.09
B.	**Cash flows from investing activities**			
	Purchase of property, plant and equipments		(4.31)	(4.21)
	Construction of property plant and equipment (capital work in progress)		(512.89)	(1,161.54)
	Investment in fixed deposits		-	(30.00)
	Interest income		7.60	18.49
	Net cash used in investing activities	(B)	(509.59)	(1,177.26)
C.	**Cash flows from financing activities**			
	Proceeds from issue of equity shares		-	58.96
	Repayment of lease liabilities		(203.09)	(194.44)
	Proceeds from inter corporate deposits		673.00	300.00
	Net cash generated from financing activities	(C)	469.91	164.52
	Net increase /(decrease) in cash and cash equivalents	(A+B+C)	(88.27)	(852.65)
	Cash and cash equivalents as at the beginning of the year		189.79	1,042.44
	Cash and cash equivalents as at the end of the year		101.52	189.79

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 2021	Balance as on 31 March 2020
Short term borrowings:		
- Opening balance	2,493.59	2,001.81
- Received during the year	673.00	300.00
- Interest accrued during the year (transferred to CWIP)	245.35	191.78
Total liabilities from financing activities	3,411.94	2,493.59

	As at 31 March 2021	As at 31 March 2020
iii) Cash and cash equivalents comprises of:		
Cash on hand	0.04	0.05
Balances with banks		
- In current accounts	101.48	189.74
	101.52	189.79

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

Anamitra Das
Partner
Membership No. 062191

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

Dibyendu Bose
Chairman
DIN: 00282821

Ramani Ramaswamy
Executive Director
DIN: 01070365

SUBARNAREKHA PORT PRIVATE LIMITED

Place: Gurugram
Date: 22 April 2021

Place: Kolkata
Date: 22 April 2021

Place: Chennai
Date: 22 April 2021

Subarnarekha Port Private Limited
Statement of Changes in Equity for the year ended 31 March 2021
(All amounts in ₹ lacs, unless otherwise stated)

(A) Equity

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Balance at the beginning of the year	60,16,723	601.67	60,01,773	600.18
Changes in Equity Share capital during the year	-	-	14,950	1.49
Balance at the end of the year	**60,16,723**	**601.67**	**60,16,723**	**601.67**

(B) Other equity

Particulars	Reserves and surplus		Other comprehensive income	Total
	Retained earnings	Securities premium account		
As at 01 April 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**
As at 01 April 2020	**(92.74)**	**3,553.65**	-	**3,460.91**
Profit for the year	121.62	-	-	121.62
Items of other comprehensive income, net of tax	-	-	-	-
As at 31 March 2021	**28.88**	**3,553.65**	-	**3,582.53**

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

Anamitra Das
Partner
Membership No. 062191

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: 22 April 2021

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

Dibyendu Bose
Chairman
DIN: 00282821

Place: Kolkata
Date: 22 April 2021

Ramani Ramaswamy
Executive Director
DIN: 01070365

Place: Chennai
Date: 22 April 2021

SUBARNAREKHA PORT PRIVATE LIMITED *

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 2021 were authorized and approved for issue by the Board of Directors on 22 April 2021.

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.

(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

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.

(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 seperate 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.

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2 Significant accounting policies (cont'd)

(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.

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.

Financial Liabilities

Financial liabilities at amortised Cost

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability.

De-recognition of financial liabilities

A financial liability is de-recognised when the underlying obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(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.

2 Significant accounting policies (cont'd)

(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

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.

(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.

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SUBARNAREKHA PORT PRIVATE LIMITED *

(All amounts in ₹ lacs, unless otherwise stated)

3 (a) Property, plant and equipment

Particulars	Computer	Furniture and fixtures	Vehicles	Office equipments	Right to use (ROU) under lease - Land	Total
Gross block						
Balance as at 01 April 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**
Additions	4.31	-	-	-	-	4.31
Disposal	-	-	-	-	-	-
Balance as at 31 March 2021	**8.74**	**1.34**	**0.27**	**2.38**	**2,600.83**	**2,613.56**
Accumulated depreciation						
Balance as at 01 April 2019	**0.15**	**3.44**	**0.24**	**0.25**	-	**4.08**
Charge for the year	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**
Charge for the year	0.93	0.03	-	0.14	-	1.10
Other adjustments*	1.31	0.05		0.24	91.05	92.65
Disposal/adjustments	-	-	-	-	-	-
Balance as at 31 March 2021	**4.6**	**1.11**	**0.26**	**1.92**	**176.64**	**184.53**
Net Block						
Balance as at 31 March 2020	**2.07**	**0.31**	**0.01**	**0.84**	**2,515.24**	**2,518.47**
Balance as at 31 March 2021	**4.14**	**0.23**	**0.01**	**0.46**	**2,424.19**	**2,429.03**

Note:

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

3 (b) Capital work in progress

Particulars	Amount
Balance as at 01 April 2019	**4,972.35**
Additions during the year	1,724.31
Capitalised during the year	-
Balance as at 31 March 2020	**6,696.66**
Additions during the year	1,101.35
Capitalised during the year	-
Balance as at 31 March 2021	**7,798.01**

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 transferred to capital work in progress till date:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	**6,696.66**	**4,972.35**
Expenses during the year:		
Salary and wages	116.16	89.58
Director's remuneration	129.84	150.00
Project development expense	105.95	711.33
Finance cost (net) [refer note (a) below]	510.72	440.94
Others [refer note (b) below]	238.68	332.46
Amount included in capital work in progress	**7,798.01**	**6,696.66**

Notes:

a) Finance cost is net of interest income earned.
b) Others includes depreciation on ROU assets.

3 (c) Lease liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	2,684.55	2,592.75
Addition during the year	-	39.25
Add: Interest expense accrued on lease liabilities	252.43	246.99
Less: Lease liabilities paid	(203.09)	(194.44)
Closing balance	**2,733.89**	**2,684.55**
Current	219.43	200.87
Non-current	2,514.46	2,483.68

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Subarnarekha Port Private Limited
Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2021
(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
4 Loans		
Current		
(Unsecured, considered good)		
Security deposits	9.16	9.16
	9.16	9.16
5 Deferred tax assets/ (liabilities) (net)		
(i) Deferred tax liability:		
Difference between written down value of ROU and lease liabilities	-	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	1.70	1.76
Provision for employee benefits	2.81	2.81
Difference between written down value of ROU and lease liabilities	80.53	-
Total deferred tax assets	85.04	4.57
Deferred tax assets / (liabilities) (net)	85.04	(46.31)
(ii) Deferred tax assets		
Unutilised MAT credit	2.56	2.56
Deferred tax assets	2.56	2.56
Deferred tax asset / (liabilities) (net)	87.60	(43.75)

I) Movement in deferred tax assets / (liabilities) for the year ended 31 March 2021:

Particulars	As at 01 April 2020	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2021
Deferred tax assets				
Unutilised MAT credit	2.56	-	-	2.56
Total	2.56	-	-	2.56
Deferred tax liabilities for taxable temporary differences on:				
Difference between written down value of ROU and lease liabilities	50.88	(50.88)	-	-
Total	50.88	(50.88)	-	-
Deferred tax assets for deductible temporary differences on:				
Difference between written down value of ROU and lease liabilities	-	80.53		80.53
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	1.76	(0.06)	-	1.70
Provision for employee benefits	2.81	-	-	2.81
	4.57	80.47	-	85.04
Deferred tax asset / (liabilities) (net)	(43.75)	(131.35)	-	87.60

II) Movement in deferred tax assets / (liabilities) 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 assets				
Unutilised MAT credit	2.56	-	-	2.56
Total	2.56	-	-	2.56
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)	-	-
Difference between written down value of ROU and lease liabilities		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 assets/ (liabilities), net	6.46	(50.21)	-	(43.75)

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 2021	As at 31 March 2020
6 Other non-current assets		
Capital advances	10.69	15.69
Balance with government authorities	74.90	7.46
	85.59	23.15
7 Cash and bank balances		
(a) Cash and cash equivalents		
Cash on hand	0.04	0.05
Balances with banks		
- In current accounts	101.48	189.74
	101.52	189.79
(b) Other bank balances		
Bank deposits having remaining maturity for more than 3 months but less than 12 months*	102.22	102.76
	102.22	102.76

(*) The above bank deposits is under lien with a bank against bank guarantee issued in favour of Government Authorities.

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(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
8 Equity share capital				
Authorized share capital				
Equity shares of ₹ 10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	1,00,00,000	**1,000.00**	**1,00,00,000**	**1,000.00**
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	60,16,723	601.67	60,16,723	601.67
	60,16,723	**601.67**	**60,16,723**	**601.67**

(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	60,16,723	601.67	60,01,773	600.18
Add : Issued during the year	-	-	14,950	1.49
Balance at the end of the year	**60,16,723**	**601.67**	**60,16,723**	**601.67**

(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 2021		As at 31 March 2020	
Name of the shareholders	**Number**	**Percentage**	**Number**	**Percentage**
Fully paid-up equity shares of ₹ 10 each:				
(a) Creative Port Development Private Limited (Holding company)	51,14,550	85%	51,14,550	85%
(b) Millers Capital Investments Pte. Ltd.	4,77,795	8%	4,77,795	8%
(c) Tata Steel Limited (Ultimate holding company)	4,24,178	7%	4,24,178	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 2021	As at 31 March 2020
9 Other equity		
Other reserves		
Securities premium account	3,553.65	3,496.18
Add: Received during the year	-	57.47
	3,553.65	**3,553.65**
Retained earnings		
Balance at the beginning	(92.74)	(19.70)
Add: Profit / (loss) for the year	121.62	(73.04)
Balance at the end	28.88	(92.74)
	3,582.53	**3,460.91**

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.

10 Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 25)	-	-
(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	2,514.46	2,483.68
	2,514.46	**2,483.68**
(b) Current		
Current maturities of lease liabilities	219.43	200.87
Other payables	264.56	162.93
	483.99	**363.80**

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SUBARNAREKHA PORT PRIVATE LIMITED *

12 Provisions

	As at 31 March 2021	As at 31 March 2020
Non-current		
Provision for employee benefits	10.84	10.84
	10.84	**10.84**

13 Borrowings

Current		
Unsecured		
Inter corporate deposits [refer note below]	3,411.94	2,493.59
	3,411.94	**2,493.59**

Note:

Inter corporate deposits is obtained from the holding company and carries an interest rate of 10.51% (31 March 2020 - 10.51%) and is repayable by 31 March 2022.

14 Other current liabilities

Statutory dues	8.32	25.87
Salary payable	-	50.00
	8.32	**75.87**

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SUBARNAREKHA PORT PRIVATE LIMITED *

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(All amounts in ₹ lacs, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
15	**Other income**		
	Interest income		
	- from IT Refund	0.10	0.02
		0.10	**0.02**
16	**Depreciation expense**		
	Depreciation of property, plant and equipment (refer note 3)	1.10	2.51
		1.10	**2.51**
17	**Other expenses**		
	Payment to auditor	2.26	4.52
	Legal and professional fees	4.09	10.27
	Property, plant and equipment written off	-	1.14
	Miscellaneous expenses	2.38	3.29
		8.73	**19.22**
	Note:		
	Auditors' remuneration		
	Statutory Audit	2.26	4.52
		2.26	**4.52**

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SUBARNAREKHA PORT PRIVATE LIMITED *

		Year ended 31 March 2021	Year ended 31 March 2020
18	**Tax expense**		
(a)	**Income tax in the statement of profit and loss:**		
	Current tax	-	-
	Deferred tax	(36.77)	50.20
	Tax pertaining to previous years	(94.58)	1.13
		(131.35)	**51.33**
(b)	**Reconciliation of income tax expense and the accounting profit for the year:**		
	Profit before tax	(9.73)	(21.71)
	Enacted tax rates (%)	**26%**	**26%**
	Income tax expense calculated at corporate tax rate	(2.53)	(5.64)
	Adjustment of tax relating to earlier years	(94.58)	1.13
	Other adjustments	(34.24)	55.84
	Total income tax expense as per the statement of profit and loss	**(131.35)**	**51.33**

		As at 31 March 2021	As at 31 March 2020
(c)	**Income tax balances**		
	Non-current tax assets		
	Opening balance	1.79	1.51
	Add: Taxes paid/ (refund received)	(1.17)	0.28
	Closing balance	**0.62**	**1.79**

		Year ended 31 March 2021	Year ended 31 March 2020
19	**Earnings per equity share (EPS)**		
	Loss attributable to equity shareholders (in ₹ lacs)	121.62	(73.04)
	Weighted average number of equity shares outstanding during the year	60,16,723	60,05,212
	Face value per share (in ₹)	10.00	10.00
	Earnings per share (in ₹):		
	- Basic earnings per equity share	2.02	(1.22)
	- Diluted earnings per equity share	2.02	(1.22)

20 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 to 34 years with individuals and with Government of Orissa , where the lease agreement is for the right of use of office space and land 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.

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.

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(All amounts in ₹ lacs, unless otherwise stated)

21 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 2021	As at 31 March 2020
Capital commitments for property, plant and equipment (including capital work-in-progress, net of capital advance)	712.12	867.12

22 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.

23 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.

24 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	As at	As at
(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.	-	-

25 Covid 19 Impact

In many countries, including India, there has been severe disruption to regular business operations due to lock downs, disruptions restrictions and other emergency measures imposed by the Government. 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 is in possession of a 34-year Concession (with the provision for extension for 2 term of 10 years each) from the Government of Odisha for development of a Greenfield Seaport at Chaumukh Village, Balasore Dist., Odisha on a "BOOST" basis. In January 2018, the Company has received 692.68 acres of Port Land from the Government of Odisha for Phase 1 development. The Company is in the process of getting the required land for railway corridor, construction access road and balance port land. The Company has incurred various expenses such as consultation for acquisition of the land and road/rail linkage for the port, detailed project report for railway connectivity, consultancy service for preparation of TEVR (Technical evaluation and viability report), traffic projections report. The management have continued to be engaged in all aspects of the activities of the Company and Liasioning with government agencies. The Company has not received any waiver with respect to lease payments, for Land alienated to the Company for the project, from the Government . However, the government offices have been working off and on due to COVID related restrictions which has impacted the pace of the land acquisition activity. Since, there is no other business activity in the Company, the management do not foresee any revenue from the operations till the time port commences its operations. The Company has been in conversation with the Government Officials and relevant Authorities to complete various pending activities required for land acquisition. Since January 2021, the local offices at site for undertaking land acquisition were reopened and engagement with local private land-owners was re-initiated at the project site. However, the Company will continue to monitor any material changes to future economic conditions.

The company, at present, does not expect any material fall in its net worth value 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 31 March 2021.

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(All amounts in ₹ lacs, unless otherwise stated)

26 Fair value measurements

(a) Category wise classification of financial instruments:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
A. Financial assets:		
i) **Carried at cost**		
Cash and cash equivalents	101.52	189.79
Other bank balances	102.22	102.76
Loans	9.16	9.16
Total financial assets	**212.90**	**301.71**
B. Financial liabilities		
(i) Measured at amortised cost		
Borrowings	3,411.94	2,493.59
Trade payables	-	7.67
Other financial liabilities	2,998.45	2,847.48
Total financial liabilities	**6,410.39**	**5,348.74**

(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)

27 Related party disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2021.

(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
TM International Logistics Limited	Fellow subsidiary

ii. Key Managerial personnel

Name	Relationship
Dibyendu Bose	Director
Rajiv Mukerji	Director
R. Rangarajan	Executive Director (upto 25 December 2020)
Ramani Ramaswamy	Executive Director
Dibyendu Dutta	Director
Dinesh Shastri	Director (upto 19 March 2021)
Sundar Manjeri Adiseshan	Additional Director (w.e.f 22 February 2021)
Prakash Singh	Additional Director (w.e.f 19 March 2021)

(b) Transactions with related parties

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Issue of equity shares:		
Creative Port Development Private Limited	-	58.96
Remuneration to directors:		
Short-term employee benefit		
R Rangarajan	54.84	75.00
R Ramaswamy	75.00	75.00
Intercorporate deposit received		
Tata Steel Limited	600.00	300.00
Creative Port Development Private Limited	73.00	
Interest on inter-corporate deposits		
Tata Steel Limited	262.62	213.08
Creative Port Development Private Limited	2.63	
Professional fees		
TM International Logistics Limited	1.33	0.52
Deputation charges paid		
Tata Steel Limited	129.57	99.81

(c) Balances of related parties:

Particulars	As at 31 March 2021	As at 31 March 2020
Intercorporate deposit payable		
Tata Steel Limited	3,336.51	2,493.59
Creative Port Development Private Limited	75.43	-
Other payables:		
Tata Steel Limited	212.68	90.89
R Rangarajan	-	25.00
R Ramaswamy	-	25.00
TM International Logistics Limited	1.78	0.47

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SUBARNAREKHA PORT PRIVATE LIMITED *

(All amounts in ₹ lacs, unless otherwise stated)

28 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 2021				
Borrowings	3,411.94	312.46	-	**3,724.40**
Lease liabilities	219.43	417.63	2,096.83	**2,733.89**
Trade payables	-	-	-	**-**
Other financial liabilities	264.56	-	-	**264.56**
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**

(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 2021	As at 31 March 2020
Borrowings		3,411.94	2,493.59
Less: Cash and bank balances		203.74	292.55
Net borrowings	**(A)**	**3,208.20**	**2,201.04**
Total equity		4,184.20	4,062.58
Total capital (equity + net borrowings)	**(B)**	**7,392.41**	**6,263.62**
Debt equity ratio	**(A)/(B)**	**43.40%**	**35.14%**

29 Figures of the previous year wherever necessary, has been regrouped and rearranged to confirm with those of the current year.

As per our report of even date.

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

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 22 April 2021

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

Dibyendu Bose
Chairman
DIN: 00282821

Place: Kolkata
Date: 22 April 2021

Ramani Ramaswamy
Executive Director
DIN: 01070365

Place: Chennai
Date: 22 April 2021

SUBARNAREKHA PORT PRIVATE LIMITED *