PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED

Balance Sheet as at 31st March, 2020

CIN : U74999MH2016PTC280001

INR in Lakh

Particulars	Note no.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	41.02	6.85
Capital Work-In-Progress	2	44,716.35	26,367.48
Right-of-Use Assets	2A	2,755.43	-
Others Finacial Assets	3	263.77	397.42
Other Non-Current Assets	4	3,678.52	5,717.24
Total Non-Current Assets		**51,455.08**	**32,488.99**
Current Assets			
Financial Assets			
Trade Receivables	5	639.08	1,004.90
Cash and Cash Equivalents	6	4,296.88	100.38
Other Financial Assets	7	1,899.62	225.79
Current Tax assets (net)	8	355.82	338.40
Other Current Assets	9	6,898.09	4,156.08
Total Current Assets		**14,089.48**	**5,825.55**
TOTAL ASSETS		**65,544.56**	**38,314.54**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	10,000.00	6,501.00
Other Equity	11	2,141.79	1,355.39
Total Equity		**12,141.79**	**7,856.39**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	40,226.03	18,752.34
Other Financial Liabilities	13	4,419.22	1,469.14
Deferred Tax Liabilities (net)	14	51.66	112.51
Total Non-Current Liabilities		**44,696.90**	**20,333.99**
Current Liabilities			
Financial Liabilities			
Borrowing	15	5,090.34	5,090.34
Trade Payables	16		
Due to micro and small enterprises		-	-
Due to creditors other than micro and small enterprises		2,445.27	326.85
Other financial liabilities	17	1,145.58	4,683.62
Other Current Liabilities	18	24.68	23.35
Total Current Liabilities		**8,705.87**	**10,124.16**
Total Liabilities		**53,402.77**	**30,458.15**
TOTAL EQUITY AND LIABILITIES		**65,544.56**	**38,314.54**
Significant accounting policies & key accounting estimates and judgements	1		

The accompanying notes form an integral part of financial statements

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
Firm's Registration No: 109574W

For and on behalf of the Board of Directors

Prasad Rane Uday
Whole time director
DIN : 08427066

Devki Nandan
Director
DIN : 06693431

Arpita T Gadhia
Partner
M. No: 177483
UDIN : 20177483AAAAAR2209
Date : 29th May 2020
Place : Mumbai

Nital Chirag Gandhi
Company Secretary
Membership No. 14589

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2020

INR in Lakh (except EPS)

Particulars	Note no.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
INCOME			
Revenue from Operations	19	1,380.00	840.24
Other Income	20	108.41	131.52
Total Income (1)		**1,488.41**	**971.75**
EXPENSES			
Finance Cost	21	0.85	1.10
Depreciation and Amortisation Expense	22	6.94	0.73
Other Expenses	23	178.76	102.97
Total Expenses (2)		**186.55**	**104.80**
Profit Before Tax (1-2)		**1,301.86**	**866.94**
Tax Expense			
Current tax	14	382.32	243.63
Deferred tax	14	(60.86)	0.09
Profit for the Year (3)		**980.40**	**623.22**
Other Comprehensive Income for the Year (4)		-	-
Total Comprehensive Income for the Year (3+4)		**980.40**	**623.22**
Earnings per equity share			
(Face value of equity share of Rs. 10 each)			
Basic (Rs.)	28	1.43	1.19
Diluted (Rs.)	28	1.43	1.19
Significant accounting policies & key accounting estimates and judgements	1		

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
Firm's Registration No: 109574W

Arpita T Gadhia
Partner
M. No: 177483
UDIN : 20177483AAAAAR2209
Date : 29th May 2020
Place : Mumbai

For and on behalf of the Board of Directors

Prasad Rane Uday
Whole time director
DIN : 08427066

Devki Nandan
Director
DIN : 06693431

Nital Chirag Gandhi
Company Secretary
Membership No. 14589

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED

Statement of Cash Flows for the year ended 31st March, 2020

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
[A] Cash Flows from Operating Activities		
Profit before tax	**1,301.86**	**866.96**
Add : Depreciation and amortisation expense	6.94	0.73
Operating Profit before working capital changes	**1,308.80**	**867.69**
(Increase)/ Decrease in trade and other receivables	(1,895.06)	(5,572.43)
Increase/ (Decrease) in trade and other payables	1,337.79	2,756.25
Cash used in operating activities	**751.53**	**(1,948.48)**
Direct taxes paid (net of refunds)	(382.32)	(243.63)
Net cash used in operating activities [A]	**369.21**	**(2,192.10)**
[B] Cash Flows from Investing Activities		
Addition in capital work in progress	(18,348.87)	(19,987.16)
Purchase of Fixed Asset	(2,796.54)	
Net cash used in investing activities [B]	**(21,145.40)**	**(19,987.16)**
[C] Cash Flows from Financing Activities		
Proceeds from long-term borrowings	21,473.70	20,620.88
Proceeds from issue of shares*	3,499.00	1,500.00
Net cash generated from financing activities [C]	**24,972.70**	**22,120.88**
Net Increase in Cash and Bank Balances [A+B+C]	**4,196.51**	**(58.39)**
Cash and cash equivalents at beginning of the year	**100.38**	**158.77**
Cash and cash equivalents at end of the year	**4,296.88**	**100.38**

Notes

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (Ind AS-7)- Statement of Cash Flow

(b) * The share issue expenditure amounting to 194.00 Lakhs for issue of above share is incurred and presented in statement in

(C) Cash & Cash Equivalent Comparise of

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks		
In Current accounts	4.17	1.33
In Short Term Deposits accounts maturity less than 3 month at inception	4,292.71	99.05
	4,296.88	**100.38**

(c) Changes in liabilities arising from financing activities :

INR in Lakh

Particulars	As at 31st March, 2019	Cash Flows	Non cash changes Fair value changes	As at 31st March, 2020
Term loans from banks	18,752.34	21,440.91	32.78	40,226.03
Short Term Borrowing	5,090.34	-	-	5,090.34
Total liabilities from financing activit	**23,842.68**	**21,440.91**	**32.78**	**45,316.37**

Particulars	As at 31st March, 2018	Cash Flows	Non cash changes Fair value changes	As at 31st March, 2019
Term loans from banks	-	18,740.76	11.58	18,752.34
Short Term Borrowing	3,221.80	1,868.54	-	5,090.34
Total liabilities from financing activit	**3,221.80**	**20,609.30**	**11.58**	**23,842.68**

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
Firm's Registration No: 109574W

For and on behalf of the Board of Directors

Prasad Rane Uday
Director
DIN : 08427066

Devki Nandan
Director
DIN : 06693431

Arpita T Gadhia
Partner
M. No: 177483
UDIN : 20177483AAAAAR2209
Date : 29th May 2020
Place : Mumbai

Nital Chirag Gandhi
Company Secretary
Membership No. 1458

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31st March, 2020

A) EQUITY SHARE CAPITAL

INR in Lakh

Balance as at 1st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020
6,501.00	3,499.00	**10,000.00**

INR in Lakh

Balance as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
5,001.00	1,500.00	**6,501.00**

B) OTHER EQUITY

INR in Lakh

Particulars	Retained Earnings	Total
Balance as at 1st April, 2019	1,355.39	1,355.39
Profit for the year	980.40	980.40
Share Issue Expenses	(194.00)	(194.00)
Balance as at 31st March, 2020	**2,141.79**	**2,141.79**

INR in Lakh

Particulars	Retained Earnings	Total
Balance as at 1st April, 2018	440.54	440.54
Profit for the year	623.24	623.24
Corporate guarantee given by Parent	291.61	291.61
Balance as at 31st March, 2019	**1,355.39**	**1,355.39**

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
Firm's Registration No: 109574W

For and on behalf of the Board of Directors

Prasad Rane Uday
Whole time director
DIN : 08427066

Devki Nandan
Director
DIN : 06693431

Arpita T Gadhia
Partner
M. No: 177483
UDIN : 20177483AAAAAR2209
Date : 29th May 2020
Place : Mumbai

0 Nital Chirag Gandhi
0 Company Secretary
Membership No. 14589

The standalone financial statement have been adopted by the board on May 28, 2020, and signed by us on May 29, 2020. During this period, there has been no material events that causes change in the standalone financial statements.

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED

Notes to the Financial Statements as at 31st Mar, 2020

NOTE 2:- PROPERTY, PLANT AND EQUIPMENT

INR in Lakh

Particulars		Furniture & Fitting	Office Equipment	Computer	Total	Capital Work-in-Progress *
Cost						
As at 31st March, 2018		**-**	**-**	**0.49**	0.49	**6,387.54**
Additions		**1.75**	**4.89**	**0.54**	7.18	**19,979.94**
As at 31st March, 2019		**1.75**	**4.89**	**1.03**	**7.67**	**26,367.48**
Additions		8.13	27.64	5.34	41.10	**18,348.87**
As at 31st Mar, 2020		**9.88**	**32.53**	**6.37**	**48.77**	**44,716.35**
Accumulated Depreciation						-
As at 1st April, 2017		**-**	**-**	**-**	-	**-**
Additions		-	-	0.09	0.09	-
As at 31st March, 2018		**-**	**-**	**0.09**	0.09	**-**
Additions		**0.08**	**0.47**	**0.18**	0.73	**-**
As at 31st March, 2019		**0.08**	**0.47**	**0.27**	**0.82**	**-**
Additions		0.45	5.46	1.03	6.94	**-**
As at 31st Mar, 2020		**0.53**	**5.93**	**1.30**	**7.76**	
Net book value						**-**
As at 31st March, 2018		-	-	0.40	0.40	**6,387.54**
As at 31st March, 2019		**1.67**	**4.42**	**0.76**	**6.85**	**26,367.48**
As at 31st Mar, 2020		**9.35**	**26.60**	**5.06**	**41.02**	**44,716.35**

NOTE 2A:-Right-of-use assets

INR in Lakh

Particulars	Right-of-Use Asset	Total
As at 1st April, 2019	-	-
Additions/Reclassified on the account of adoption of Ind AS 116	2,854.73	2,854.73
Disposals/transfers	-	-
As at 31st Mar, 2020	**2,854.73**	**2,854.73**
Accumulated Depreciation		
As at 1st April, 2019	-	-
Depreciation charge for the year	99.29	99.29
Disposals/transfers	-	-
As at 31st Mar, 2020	**99.29**	**99.29**
As at 31st Mar, 2020	**2,755.43**	**2,755.43**

Ind AS 116 - Leases, has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information, instead the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. This has resulted in recognizing a "Right of use asset" of Rs. 2854.73 lakhs, and a corresponding "Lease liability" of Rs. 2854.73 lakhs as at April 1, 2019.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent" under "Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result, the "Rent", "Depreciation and amortization expense" and "Finance cost" of the current period is not comparable to the earlier periods.

*** Capital Work in Progress includes**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Pre-operative Expenses**	4,648.50	2,495.07
	4,648.50	**2,495.07**

The company is in process of Development of Coal Terminal at Paradip, Odisha. Since the project is under construction stage, the expenditure incurred towards construction of project has been considered as Preoperative Expenditure, the details of which are as under.

Particulars	As at 31st March, 2020	As at 31st March, 2019
Borrowing Cost	3,689.18	1,761.09
Insurance Charges	20.84	37.70
Licence Fees	222.12	279.60
Manpower Cost	369.69	306.64
Consultancy Fess	247.37	110.04
Others	99.29	-
	4,648.50	**2,495.07**

NOTE 3:- NON-CURRENT FINANCIAL ASSETS-OTHERS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial guarantee assets (Ref Note No 25)	263.77	397.42
	263.77	**397.42**

NOTE 4:- OTHER NON-CURRENT ASSETS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured, considered good		
Capital advances to Contractors	3,678.52	5,717.24
	3,678.52	**5,717.24**

NOTE 5:- TRADE RECEIVABLES

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good	639.08	1,004.90
	639.08	**1,004.90**

Trade receivables disclosed above include amounts (see below aged analysis) that are past due at the end of each reporting period for which the company has not recognised an allowance of doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. (Ref Note No 19)

Aging of recevables

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within the credit period	-	719.56
31-60 days	-	365.82
61-90 days	-	-
91-180 days	-	-
> 181 days	639.08	145.31
	639.08	**1,230.69**

The credit period on rendering services ranges from 1 to 30 days

NOTE 6:- CASH AND CASH EQUIVALENTS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks		
In Current accounts*	4.17	1.33
In Short Term Deposits accounts maturity less than 3 month at inception	4,292.71	99.05
	4,296.88	**100.38**

* includs 0.02 Lakhs is balance in Trust and Retention Account (TRA) as on 31.03.2020 [TRA agreement between Company, Lenders and Paradip Port Trust]. (PY Rs 0.01 Lakhs)

NOTE 7:- CURRENT FINANCIAL ASSETS - OTHER

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
Due from Related parties (refer note 25)	1,183.83	-
Unbilled Revenue	715.79	225.79
	1,899.62	**225.79**

NOTE 8:- OTHER NON-CURRENT ASSETS-TAX ASSET

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Income Tax Assets	355.82	338.40
	355.82	**338.40**

NOTE 9:- OTHER CURRENT ASSETS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory Receivables	6,898.09	4,139.52
Prepaid Expenses	-	16.56
	6,898.09	**4,156.08**

NOTE 10:- EQUITY SHARE CAPITAL

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised		
10,00,00,000 Equity Shares of 10/- each	**10,000.00**	**10,000.00**
Issued, Subscribed and Paid-up		
1,00,000,000 Equity Shares of Rs.10/- each, fully paid-up (Previous year 6,50,10,000 Equity Shares of Rs 10/- each)	10,000.00	6,501.00
	10,000.00	**6,501.00**

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

INR in Lakh

Authorised share capital	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	100,000,000	10,000.00	100,000,000	10,000.00
Issued during the year	-	-	-	-
Balance at the end of the year	**100,000,000**	**10,000.00**	**100,000,000**	**10,000.00**

INR in Lakh

Issued , Subscribed and Paid up share capital	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	65,010,000	6,501.00	50,010,000	5,001.00
Issued during the year	34,990,000	3,499.00	15,000,000	1,500.00
Balance at the end of the year	**100,000,000**	**10,000.00**	**65,010,000**	**6,501.00**

(b) Terms / rights attached to equity shares

The Company has one class of share capital, i.e., equity shares having face value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares held by holding company

INR in Lakh

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
JSW Infrastructure Limited	74000000	7,400.00	48107400	4,810.74
South West Port Limited	26000000	2,600.00	16902600	1,690.26
	100,000,000	**10,000.00**	**65,010,000**	**6,501.00**

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

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% holding in the class	No. of shares	% holding in the class
JSW Infrastructure Limited	74000000	74.00	48107400	74.00
South West Port Limited	26000000	26.00	16902600	26.00
	100,000,000	**100.00**	**65,010,000**	**100.00**

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED

Notes to the Financial Statements as at 31st Mar, 2020

NOTE 11:- OTHER EQUITY

INR in Lakh

Particulars	Retained Earnings	Total equity attributable to equity holders of the Company
Balance as at 1st April, 2019	1,355.39	1,355.39
Profit for the year	980.40	980.40
Share Issue Expenses	(194.00)	(194.00)
Balance as at 31st March, 2020	**2,141.79**	**2,141.79**

(i) Retained Earnings

Retained earning are the profits that the company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders. Retained earning is a free reserve available to the company.

NOTE 12:- NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured Term Loan	40,226.03	18,752.34
	40,226.03	**18,752.34**

Term Loan has been availed from Exim Bank Of India of Rs 40226.03 (previous year 18752.34) lakhs @ LTMR + 45 Basis Point, With first Pari-pasu charge over moveble and immovable fixed asset, current assets both present and future and first pari-pasu charge/assignment of all receivable/revenue,cash flow from the project.

Quarterly Principal Loan repayment to Exim bank starts in June 2023 and ends in March 2035.

NOTE 13:- NON-CURRENT FINANCIAL LIABILITIES-OTHERS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Lease Liabilities	2,629.12	-
Retention Money	1,790.10	1,469.14
	4,419.22	**1,469.14**

(i) The Company has adopted the standard beginning April 1, 2019 which has resulted in recognizing a "Lease liability" of ₹ 2854.73 lakhs as at April 1, 2019 including lease liability amounting to ₹ NIL lakhs recognised as finance lease obligation respectively under erstwhile lease standard as at 31 March 2019.
During the year company has recognised ₹ 242.41 lakhs as finance charge on lease and has paid ₹ 242.41 as lease rent. At the end of the year company has reported total lease liability of ₹ 2876.38 lakhs, out of which Non-current lease liability is ₹ 2629.12 lakhs and current lease liability is ₹ 247.26 lakhs

NOTE 14:- INCOME TAXES

Income tax related to items charged or credited directly to profit or loss account during the year

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
In Statement of profit or loss		
Current income tax (a)	382.32	243.63
Deferred tax expense (b)	(60.86)	0.09
Total expense reported in the statement of profit and loss (a+b)	**321.46**	**243.72**

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED

Notes to the Financial Statements as at 31st Mar, 2020

Income Tax expense

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Reconciliation		
Profit before tax	1,301.86	866.96
Accounting profit before income tax	1,301.86	866.96
Applicable tax rate	29.12%	27.82%
Computed tax expense	379.10	241.19
Expenses not allowed for tax purpose	5.18	2.44
Expenses not allowed for tax purpose	(1.97)	-
Deferred tax expense (refer below detail)	(60.86)	0.09
Computed tax expense	**321.46**	**243.72**

MAT Credit		
MAT Liability (115JB)	-	-
MAT Credit entitlement	-	-
Current tax	-	-

Deferred tax relates to the following:

INR in Lakh

Particulars	Balance Sheet		Recognised in statement	
	As at 31st March, 2020	As at 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Expenses allowable on payment basis (Gratuity & Leave)			-	
Timing difference on account of book depreciation and tax depriciation	(0.07)		(0.07)	
Other items giving rise to temporary differences	(9.99)	(112.51)	102.52	-0.09
Finance Lease	(76.81)		(76.81)	
Financial guarantee assets	35.22		35.22	
Income tax relating to items that will not be reclassified to profit or loss from OCI			-	
Deferred tax asset / (liability)	(51.66)	(112.51)		
Net (income)/expense			60.86	-0.09

Reconciliation of Deferred Tax Assets / (Liabilities) Net

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balances	(112.51)	(0)
Tax income / (expense) during the period recognised in profit or loss	60.86	(0.09)
Corporate Guarantee given by Parents	-	(112.39)
Closing Balances	**(51.66)**	**(112.51)**

1. Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 effective from April 01, 2019, domestic companies have an option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("25.17%") subject to certain conditions. The Company has made an assessment of the impact of the Ordinance and decided to continue with existing tax structure.

2. Further, Ind-AS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. The Company has made estimates, based on its budget, regarding income anticipated in the foreseeable future year when those temporary differences are expected to reverse and measured the same at New tax rate. Accordingly, the Company has re-measured the outstanding deferred tax balances that is expected to be reversed in future at New tax rate and an amount of ₹ Nil and ₹ Nil have been written back in the Statement of Profit and Loss and Other Equity respectively during the current financial year.

NOTE 15:- CURRENT FINANCIAL LIABILITIES - BORROWINGS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured loans from Related Parties (refer Note 25)	**5,090.34**	5,090.34
	5,090.34	**5,090.34**

Loan of Rs. 3731.80 (previous year Rs. 3731.80) lakhs is outstanding from South West Port Limited bearing interest rate of 10.25% (previous year 9.90%) p.a. And, loan of Rs. 1358.54(previous year Rs 1358.54) lakhs is outstanding from JSW Infrastructure Limited bearing interest rate of 10.25% p.a (previous year 9.90%).Repayable on demand.

NOTE 16:-CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Due to micro and small enterprises	-	-
Due to creditors other than micro and small enterprises	2,445.27	326.85
	2,445.27	**326.85**

The Company does not have any creditor falling under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any relating to amounts unpaid together with interest paid / payable as required under said Act have not been given.

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Principal amount due outstanding as at end of year	-	-
Principal amount overdue more than 45 days	-	-
Interest due and unpaid as at end of year	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the year of delay	-	-
Interest accrued and remaining unpaid as at end of year	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

NOTE 17:- CURRENT FINANCIAL LIABILITIES - OTHERS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Due to Related parties (refer Note 25)	879.79	678.83
Provision for Expenses	18.53	-
Lease Liabilities	247.26	-
Acceptances	-	4,004.79
	1,145.58	**4,683.61**

NOTE 18:- OTHER CURRENT LIABILITIES

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory Liabilities	24.68	1.31
	24.68	**1.31**

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

NOTE 19:- REVENUE FROM OPERATIONS

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Wharfage Revenue *	1,380.00	840.24
	1,380.00	**840.24**

* Company has claimed wharfage on cargo handled by Paradip Port Trust (PPT) on part of the berth under construction at 100% of wharfage collected by the PPT net of royalty in line with the terms of concession agreement. However PPT is paying 50% of wharfage collection. Company is contesting the same based on legal opinion obtained which suggests company's right of 100% share of wharfage collection by PPT. As a abundent precaution company has decided to bill PPT at 50% of wharfage collection by PPT "**under protest**" and recognise the remaining revenue once the matter is settled.

NOTE 20:- OTHER INCOMES

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest earned on Fixed Deposits (On assets measured at amortized cost)	108.41	131.52
	108.41	**131.52**

NOTE 21:- FINANCE COST

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Other Finance Cost	0.85	1.10
	0.85	**1.10**

NOTE 22:- DEPRECIATION AND AMORTISATION EXPENSES

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation on Tangible Assets	6.94	0.73
	6.94	**0.73**

NOTE 23:- OTHER EXPENSES

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Rates & taxes	5.12	4.13
Manpower cost	33.37	24.88
Staff Welfare	1.74	2.26
Interest on Statutory Dues	0.41	0.02
Bank Charges	1.11	1.31
Miscellaneous Expenses	5.12	-
Car Hiring charges	39.45	15.26
Remuneration to Auditor (refer Note 30)	4.30	2.16
Office expenses	8.93	8.90
Professional fees	25.61	25.77
Travelling Charges	4.14	1.96
Guest House Exp	10.68	-
CSR Expenses (Refer Note 31)	10.00	6.50
General office expenses and overheads	28.79	9.82
	178.76	**102.97**

NOTE 24:- CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent Liabilities (to the extent not provided for)

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Claims against the company not acknowledge as debts		
Bank Gurantee given to Paradip Port Trust	7,064.00	7,064.00
	7,064.00	**7,064.00**

B. Commitments (net of advances)

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remianing to be executed on capital account and not provided for	37,816.62	60,246.00

Notes:

(a) The company does not expect any reimbursement in respect of the above contingent liabilities.

(b) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters above, pending resolution of the arbitration / appellate proceedings.

NOTE 25:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES

List of Related Parties

Name	Nature of Relation
JSW Infrastructure Limited	Holding Company
South West Port Limited	Fellow Subsidiary
JSW Paradip Terminal Private Limited	Other related party
JSW Jaigarh Port Limited	Other related party
JSW Severfield Structures Limited	Other related party
JSW Steel Coated Products Limited	Other related party
JSW Steel Limited	Other related party
Naveen Kumar (upto 31.01.2019)	Non executive director
Sudip Mishra	Non executive director

Key Managerial Personnal

Name	Nature of Relation
Prasad Rane Uday (w.e.f. 24.04.2019)	Whole time Director
Nital Chirag Gandhi (w.e.f. 24.04.2019)	Company Secretary

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

The following transactions were carried out with the related parties in the ordinary course of business

INR in Lakh

Nature of transaction	For the year ended 31st March, 2020	For the period ended 31st March, 2019
JSW Infrastructure Limited		
Loan taken	-	1,388.22
Loan repaid	-	-
Interest on Loan accrued (Gross)	189.31	71.09
Interest on Loan paid	-	-
Corporate Guarantee Amortization	133.65	6.58
South West Port Limited		
Loan taken	-	510.00
Loan repaid	-	-
Interest on Loan accrued (Gross)	690.48	350.68
Interest on Loan paid	-	-
JSW Paradip Terminal Private Limited		
Other Reimbursement	1,550.49	85.07
Other Reimbursement paid	437.63	-
JSW Jaigarh Port Limited		
Other Reimbursement	-	-
Other Reimbursement paid	-	-
JSW Severfield Structures Limited		
Advance given for purchase of goods and services	-	-
JSW Steel Coated Products Limited		
Purchase of goods and services	-	371.34
JSW Steel Limited		
Purchase of goods and services	-	105.02
	3,001.56	**2,888.00**

Amount due to / from related parties

INR in Lakh

Nature of transaction	As at 31st March, 2020	As at 31st March, 2019
Others payable (for Reimbursement of Expenses)		
JSW Paradip Terminal Private Limited	(1,183.83)	138.32
Dues / (receivable) towards Loan and Interest thereon		
JSW Infrastructure Limited	1,547.85	1,422.53
South West Port Limited	4,422.28	4,078.02
Advance / (receivable) towards purchase of goods and service		
JSW Severfield Structures Limited	-	(1,550.49)
Financial Guarantee		
JSW Infrastructure Limited	263.77	397.42
	5,050.07	**4,485.80**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

NOTE 26:- FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

NOTE 26.1 Capital Risk Management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Long-term borrowings	40,226.03	18,752.34
Short-term borrowings	5,090.34	5,090.34
Less: Cash and cash equivalent	(4,296.88)	(100.38)
Net debt	**41,019.49**	**23,742.30**
Total equity	**12,141.79**	**7,856.39**
Gearing ratio	**3.38**	**3.02**

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

(i) Equity includes all capital and reserves of the Company that are managed as capital.
(ii) Debt is defined as long and Short-term borrowings.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing
The following methods and assumptions were used to estimate the fair values:
Fair value of cash, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 26.2 Categories of financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
The following methods and assumptions were used to estimate the fair values:
Fair value of cash, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

INR in Lakh

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets at amortised cost (Level 2)				
Cash and bank balances	4,296.88	4,296.88	100.38	100.38
Trade Receivables	639.08	639.08	1,004.90	1,004.90
Other financial assets	2,163.39	2,163.39	623.21	623.21
	7,099.34	**7,099.34**	**1,728.49**	**1,728.49**
Financial liabilities at amortised cost (Level 2)				
Non-Current Borrowings *	40,226.03	40,226.03	18,752.34	18,752.34
Non-Current Other Financial Liabilities	4,419.22	4,419.22	1,469.14	1,469.14
Trade Payables	2,445.27	2,445.27	326.85	326.85
Current Borrowings	5,090.34	5,090.34	5,090.34	5,090.34
Other financial liabilities - Current	1,145.58	1,145.58	4,683.62	4,683.62
	53,326.43	**53,326.43**	**30,322.28**	**30,322.28**

* including current maturities of long term
* The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities are considered to be the same as their fair values, due to their short term nature.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTE 27:- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors
The Company's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The company is in project phase. Project is managed through contribution from promoters'. The management is optimistic about the cash flows from project after commissioning.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

Credit risk
Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 639.08 Lakhs and ₹ 1230.69 Lakhs as of March 31, 2020 and March 31, 2019, respectively. The Company has normal credit risk for collection of Trade receivables.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Long-term borrowings generally mature between one and 10 years. Liquidity is reviewed on a daily basis based on weekly cash flow forecast.
The Company's principal source of working capital is contributed by promoters. The Company has outstanding borrowings from promoters. Since the working capital is financed by contribution from promoters' no liquidity risk is perceived.

The Company is in project stage and working capital requirement if any is contributed by promotors.

Liquidity exposure as at 31 March 2020

INR in Lakh

Particulars	Less than 1 year	1-5 years	5 and above years	Total
Financial assets				
Trade Receivables	639.08	-	-	639
Cash and cash equivalents	4,296.88	-	-	4,297
Other financial assets	1,899.62	**263.77**	-	2,163
Total financial assets	**6,835.57**	**263.77**	-	**7,099**
Financial liabilities				
Long Term Borrowings	-	11,280.00	28,946.03	40,226
Short Term Borrowing	5,090.34	-	-	5,090
Trade Payables	2,445.27			2,445
Other Finacial Liability	2,913.26	2,651.53	-	5,565
Total financial Liability	**10,448.87**	**13,931.53**	**28,946.03**	**53,326.43**

The below table provides details regarding the ageing of significant financial liabilities as at 31st March, 2019

INR in Lakh

Particulars	Less than 1 year	1-5 years	5 and above years	Total
Financial assets				

Trade Receivables	1,004.90	-	-	1,005
Cash and cash equivalents	100.38	-	-	100
Other financial assets	225.79	397.42	-	623
Total financial assets	**1,331**	**397**	**-**	**1,728**
Financial liabilities				**-**
Long Term Borrowings	-	6580.00	12172.34	18,752
Short Term Borrowing	5,090.34	-	-	5,090
Trade Payable	326.85	-	-	327
Other Finacial Liability	5,271.27	881.48	-	6,153
Total financial Liability	**10,688.46**	**7,461.48**	**12,172.34**	**30,322.28**

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants

NOTE 28:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Face value of equity share in Rs.	10.00	10.00
Weighted average number of equity shares outstanding in Nos.	68,670,656.00	52,516,849
Profit for the year in INR Lakhs	980.40	623.22
Earnings per share (Basic and Diluted) in Rs.	**1.43**	**1.19**

Notes to the Financial Statements for the year ended 31st March, 2020

NOTE 29:- SEGMENT REPORTING

The Company is primary engaged in the one business segment namely developing, operating and maintaining the port services, port related infrastructure development activities and developing of infrastructure as determined by Chief Operational decision maker, in accordance with IND AS 108 “Operating Segments”.

Considering the interrelationship of various activities of the business, the Chief Operational decision maker monitored the operating result of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

NOTE 30:- PAYMENT TO AUDITORS

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Statutory Audit Fees	4.05	1.50
Tax Audit Fees	0.15	0.55
Out of Pocket Expenses	0.10	0.06
Others	-	0.05
	4.30	**2.16**

NOTE 31:- CORPORATE SOCIAL RESPONSIBILITY (CSR)

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Amount required to be spent as per section 135 of the Act	10.00	6.50
Amount Spent during the Year		
(i) Construction/Acquisition of an asset	-	-
(ii) On purchace other than (i) above	10.00	6.50
	10.00	**6.50**

NOTE 32:- VALUE OF IMPORTS CALCULATED ON CIF BASIS

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Capital goods	-	4,474.22
	-	**4,474.22**

NOTE 33:- EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Capital goods	-	4,474.22
	-	**4,474.22**

NOTE 34:- REALISATION VALUE OF CURRENT ASSETS

In the opinion of Management, the Current Assets comprising of Advances (including capital advance) and other receivables, have value on realisation in the ordinary course of business at least equal to the amount to which they are stated.

NOTE 35:- The Company is yet to receive balance confirmation in respect of certain sundry debtors and advances. The management does not expect any material difference affecting the current years financial statement due to the same.

NOTE 36:- The additional information pursuant to Schedule III of the Companies Act, 2013 is either Nil, or not applicable.

NOTE 37:- The finacial statements are approved for issue by the Audit Committee at its meeting held on 28th May, 2020 and by the Board of Directors on 28th May, 2020.

NOTE 38:- Previous year's figures have been reclassified/regrouped, wherever necessary, to confirm with the current year's classification.

Note 39:- India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. Considering that the Company is in the business of essential services, management believes that there is not much of an impact likely due to this pandemic including the utilization of install capacity.

Going concern assessment:

The Company has continued its operations during lockdown due to the outbreak of COVID-19 as the Port Service is considered as one of the essential services by the Government. The Company’s substantial port infrastructure capacities are tied up under medium to long term service agreements with its customers, which insulates revenue of the Company under such contracts.

Based on initial assessment, the management does not expect any medium to long-term impact on the business of the Company. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, its infrastructure assets, inventory, loans, receivables and debt covenants basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the Company’s liquidity position, there is no uncertainty in meeting financial obligations over the foreseeable future.

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
Firm's Registration No: 109574W

Arpita T Gadhia
Partner
M. No: 177483
UDIN : 20177483AAAAAR2209
Date : 29th May 2020
Place : Mumbai

For and on behalf of the Board of Directors

Prasad Rane Uday
Whole time director
DIN : 08427066

Devki Nandan
Director
DIN : 06693431

0
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Nital Chirag Gandhi
Company Secretary
Membership No. 14589

The standalone financial statement have been adopted by the board on May 28, 2020, and signed by us on May 29, 2020. During this period, there has been no material events that causes change in the standalone financial statements.

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED
Notes to the Financial Statements as at and for the year ended 31st March, 2020

General information

PARADIP EAST QUAY COAL TERMINAL PRIVATE LIMITED is a private limited company, domiciled in India and incorporated in under the provision of Companies Act applicable in India.

The Company is engaged in developing and operating mechanized modern ports and Marine transport at suitable locations over the country to support JSW Group in addition to catering to third party cargo handling requirement. Apart from this, the Company is also planning to undertake various logistic related activities like Shipping, Roads, Railways, Marine Infrastructures, etc.

1. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

1.1 Statement of compliance

Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statement.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as “Financial Statements” or “financial statements”).

These financial statements are approved for issue by the Board of Directors on 28 May, 2020.

1.2 Basis of preparation of financial statements

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in INR and all values are rounded to the nearest crores except when otherwise stated.

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

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

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

All other assets are classified as non-current.

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

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

1.3 Revenue Recognition

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

Revenue from port operations services/ multi-model service including cargo handling and storage are recognized on proportionate completion method basis based on services completed till reporting date. Revenue on take-or-pay charges are recognized for the quantity that is difference between annual agreed tonnage and actual quantity of cargo handled.

Income from fixed price contract – Revenue from infrastructure development project/ services under fixed price contract. Where there is no uncertainty as to measurement or collectability of consideration is recognized based on milestones reached under the contract.

1.4 Other Income

Other income is comprised primarily of interest income, mutual fund income, exchange gain/ loss. All debts instrument measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate exactly discounts the estimated cash payments or receipt over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of financial liability. When calculating the EIR, the Company estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Mutual fund is recognized at fair value through Profit and Loss.

1.5 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessor
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Company as lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term and the lease term is as follows.

Class of assets	Years
Leasehold land	99 Years
Buildings	3 and 30 years
Plant & Machinery	3 and 15 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below Rs. 50,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

A) New and amended accounting standards:

Ind AS 116 – Leases

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Effective 01 April 2019, the Company has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. 01 April 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

Upon adoption of Ind AS 116, the company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note on Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases

The Company applied the practical expedients provided in Ind AS 116 and did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Most of the contracts that contains extension terms are on mutual agreement between both the parties and hence the potential future rentals cannot be assessed. Certain contracts where the extension terms are unilateral are with unrelated parties and hence there is no certainty about the extension being exercised.

The weighted average incremental borrowing rate applied to the newly recognised lease liabilities pursuant to Ind AS 116 adoption as at 1 April 2019 is 9.25%

Based on the above, as at 1 April 2019:
Right-of-use asset of Rs. 2854.72 lakhs and a lease liability of Rs. 2854.72 lakhs on the date of initial application

1.6 Foreign Currencies

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. In case of foreign currency term loan, it is re-stated at the rates prevailing at year end

1.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

1.8 Government Grant

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of profit and loss over the expected useful lives of the assets concerned.

The benefit of a government loan at a below-market rate of interest and effect of this favourable interest is treated as a government grant. The Loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfilment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.9 Employee Benefits

Retirement benefit costs and termination benefits:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the company recognizes corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.10 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity- settled share-based transactions are set out in note 38.

The fair value determined at the grant date of the equity- settled share-based payments is expensed on a straight- line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shared held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from Equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

1.11 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

1.12 Property, Plant and Equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and accumulated impairment losses. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as prescribed under Part C of schedule II of the Companies Act, 2013 except for the assets mentioned below for which useful life estimated by the management. The Identified components of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets.

The Company has estimated the following useful lives to provide depreciation on its certain fixed assets based on assessment made by experts and management estimates.

Assets	Estimated useful lives
Building	5-28 Years
Plant and Machinery	2-18 Years

Ships	28 years
Office equipment	3-20 Years
Computer equipment	3-6 Years
Furniture and fixtures	10-15 Years
Vehicles	8-10 Years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Freehold land is not depreciated and Leasehold land is amortized over the period of lease. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

The company has policy to expense out the assets which is acquired during the year and value of such assets is below Rs. 5000.

1.13 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The cost of intangible assets having finite lives, which are under development and before put to use, are disclosed as 'Intangible Assets under development.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Assets	**Estimated useful lives**
Computer Software	3 – 5 Years

1.14 Impairment of Property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the comapny estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent of revaluation reserve.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

1.15 Inventories

Consumables, construction materials and stores and spares are valued at lower of cost and net realizable value. Obsolete, defective, unserviceable and slow/ non-moving stocks are duly provided for. Cost is determined by the weighted average cost method.

1.16 Investment in subsidiaries, associates and Joint ventures

Investment in subsidiaries, associates are shown at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

1.17 Fair Value Measurement

The Company measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of asset or a liability is measured using the assumptions that market participants would use in pricing the asset or liability, assuming that market participant at in their economic best interest.

A fair value measurement of a non-financing asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

Financial Instruments

For assets and liabilities that are recognized in the Balance Sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Investments and other financial assets:

Classification
The Company classifies its financial assets in the following measurement categories:

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

The classification depends on the Compnay's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Initial recognition and measurement
Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are 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.

Sub-sequent measurement

After initial recognition, financial assets are measured at:
i) fair value (either through other comprehensive income or through profit or loss) or,
ii) amortized cost

Debt instruments
Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any, the amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVTOCI): Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss.

Gains or Losses on De-recognition
In case of investment in equity instruments classified as the FVTOCI, the gains or losses on de-recognition are re-classified to retained earnings.
In case of Investments in debt instruments classified as the FVTOCI, the gains or losses on de–recognition are reclassified to statement of Profit and Loss.

Measured at fair value through profit or loss (FVTPL): A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Gains or Losses on De-recognition
In case of investment in equity instruments classified as the FVTOCI, the gains or losses on de-recognition are re-classified to retained earnings.

In case of Investments in debt instruments classified as the FVTOCI, the gains or losses on de–recognition are reclassified to statement of Profit and Loss.

De-recognition
A financial asset is de-recognised only when
i) The Company has transferred the rights to receive cash flows from the financial asset or
ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained 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 the financial asset.

Impairment
The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Income recognition

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the ‘Other income’ line item.

b) Financial liabilities & Equity Instruments

Equity Instruments

The Company subsequently measures all investments in equity instruments at fair value. The Management of the Company has elected to present fair value gains and losses on its investment equity instruments in other comprehensive income, and there is no subsequent reclassification of these fair value gains and losses to the

Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial liabilities
Classification as debt or equity Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.
Initial recognition and measurement Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

Subsequent measurement Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition
A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty

Reclassification of financial assets
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	**Revised classification**	**Accounting treatment**
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is

		adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

1.18 Cash and Cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

1.19 Provisions, Contingent liabilities, Contingent assets and Commitments

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events, when the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

1.20 Earnings per Equity Share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.21 Segment Reporting

The Company is primarily engaged in one business segment, namely developing, operating and maintaining the Ports services, Ports related Infrastructure development activities and development of infrastructure as determined by chief operating decision maker, in accordance with Ind-AS 108 "Operating Segment".

Considering the inter relationship of various activities of the business, the chief operating decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

1.22 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

1.23 Key accounting estimates and Judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives and the expected residual value at the end of its lives. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Impairment of investments in subsidiaries and associates

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses / operations of the investee companies as more fully described. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a specified period in which MAT credit arises, subject to the limits prescribed.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financials 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 which involve various judgements and assumptions.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognized nor disclosed in the financial statements unless when an inflow of economic benefits is probable.