

BOARD'S REPORT

**To the Members,
PSA SICAL TERMINALS LIMITED**

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

1. FINANCIAL RESULTS

PARTICULARS	<i>(Amount in INR Millions)</i>	
	FINANCIAL YEAR	
	2022-23	2021-22
Revenue from operation	411.35	471.40
Expenditure excluding Depreciation & Finance Cost	490.15	3587.48
Profit Before Interest and Depreciation	(78.80)	(3116.08)
Finance cost	2.47	3.43
Depreciation and amortization	6.44	6.44
Profit / (Loss) before tax	(87.71)	(3125.95)
Tax expenses	(0.33)	-
Profit/ (Loss) after tax	(87.38)	(3125.95)
Basic & Diluted Earnings Per Equity Share in INR	(5.83)	(208.40)

2. DIVIDEND

In view of the continuing losses in the financial year 2022-23, negative reserves and surplus, and pending resolution of the uncertainties involved in the ongoing disputes, settlement process, etc., no dividend has been recommended for the financial year 2022-23.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125(2) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividend that are unpaid / unclaimed for a period of seven years from the date it became due for payment are required to be transferred by the Company to the IEPF. Further, share in respect of such dividend which have not been paid/claimed for a period of seven consecutive years are also required to be transferred to the IEPF Authority.

The above requirement does not apply to the Company as there is no case of dividend remaining unclaimed/unpaid for 7 (years) in the Company, and no dividend has been declared during the year under review.

4. STATE OF COMPANY'S AFFAIRS / REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The Company is engaged in the business of developing the seventh berth at the Tuticorin Port as a Container Terminal and continues to operate and maintain the Terminal on a BOT basis for a period of 30 years. The Company completed the construction and development and commenced container-handling operations from December 21, 1999. The Company continues with its business operations and has attained the revenue of INR 411.35 million by handling 164,575 TEUs during the year, as compared with previous year where the Company had handled 185,034 TEUs and attained revenue of INR 471.40 million, volume 11% lower due to decrease in import laden, export empty repositioning and shortage of vessels between PSA Sical and Mundra.

The Company's business continues to be impacted by the differential draft accorded to it by V.O Chidambaranar Port Authority ("VOCPA") (formally known as Tuticorin Port Trust) at its berth 7 in comparison to the competitors DGBT which has been accorded a higher draft at its berth 8 resulting in substantial number of vessels migrating to berth 8. In connection to the same, draft differential arbitration with the VOCPA was initiated and the Company got a favorable award in July 2023 from the arbitral tribunal and the Company has been granted liberty under the award to claim the damages from the Port on the loss of revenue due to discrimination.

The matters pertaining to reference of all the disputes to the Committee constituted by Ministry of Ports, Shipping and Waterways i.e. tariff and royalty escalations, arbitration relating draught differential are pending for being heard before the Hon'ble Supreme Court, accordingly, depending on the outcome of said matters, the Company will seek legal recourse on proceeding further.

5. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

The dispute pertaining yearly escalated royalty payable under the License Agreement (without corresponding increase in tariff) was decided by the Hon'ble Supreme Court on 28 July 2021 whereby the arbitration award of 2014 converting the royalty model into revenue share model has been set aside; however the judgement further records that the Court refrains from making any observations with regards to other arguments put forth by the parties i.e. the Company is incurring huge losses and that petitions filed against TAMP is still pending before the High Court and that any observations made by the High Court with regard to other aspects of the matter except the validity of the award, would not come in way of either of the parties raising their grievances in the proceedings which are pending before the Division Bench of the High Court or any other proceedings to which either it would be entitled to take recourse in law. It is to be noted that after passing of the aforementioned judgement, VOCPA had issued a demand letter of INR 1027 Crores on the Company towards the yearly-escalated royalty under the

Agreement and had issued Notice of intent of termination, Termination Notice and Termination order under the license agreement to the Company.

Given the observation of the Hon'ble Supreme Court in the aforementioned judgement of keeping all other issue open, the Company had filed legal proceedings to refer all the disputes including disputes pertaining to tariff and royalty to a committee constituted on 20 July 2020 by the Ministry of Ports, Shipping and waterways for amicable settlement of all the disputes and the said matter is pending before the Hon'ble Supreme Court. In the event, the outcome of this Supreme Court proceeding is unfavourable, it can affect the going concern status of the Company's future operations.

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

In the year 2018, VOCPA had meted out differential treatment to the Company by providing deeper draft to the neighboring terminal, which had led to shift in majority of business of the Company to the neighboring terminal. Being aggrieved by it, the Company had initiated legal proceedings in the year 2018 itself. The final order of the said legal proceedings by way of an arbitration award was published on 8 July 2023 establishing that the action of VOCPA in declining to provide equal depth of draught for the Company on par with neighboring terminal is discriminatory. Further, it also records that the VOCPA is liable to bear the cost of strengthening the berth and deepening the draught of the Company's berth in terms of the License Agreement and that the counter claim of the VOCPA seeking license fees under the license agreement during the period of discrimination was rejected. The award has also granted liberty to the Company to seek monetary relief in accordance with law by approaching the appropriate forum. The business volume of the Company has materially depleted affecting the financial position of the Company during the current financial year as well essentially because of discriminatory treatment meted out by the VOCPA of providing differential draft to the Company.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 1** and is attached to this report.



8. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has in place a framework and process to identify potential risk elements and for its assessments and mitigation. If the rulings of the court/regulator/authorities in the ongoing litigations as indicated at s.no. [5] above are not in favor of the Company, then, such adverse rulings may adversely impact the business functioning of the Company. A continuous assessment of such risk and their possible mitigation is undertaken, as part of risk management framework.

9. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The provisions of section 135 of the Companies Act, 2013 are not applicable to the Company as the Company does not satisfy any of the criteria as specified in the said section 135(1) of the Companies Act 2013. However, the Company has a Corporate Social Responsibility ("CSR") policy and has formed a CSR Committee comprising of following members:

1. Mr. Suresh N. Amirapu
2. Mr. Gobu Selliaya
3. Mr. C. Deepkishore Reddy

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not provided any loans and guarantees or made any investments pursuant to Section 186 of the Companies Act, 2013.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the contracts and arrangements with Related Parties were in the ordinary course of business and on arm's length basis. There was no contract or arrangement made with related parties as defined under Section 188 of the Companies Act, 2013 which required approval of shareholders during the year under review.

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS

The Statutory Auditors have given qualified opinion in their report for going concern which is inter alia dependent upon resolution of the tariff related matters and royalty escalations.

The Company is in discussion with VOCPA and the Government of India to amicably settle the liability due to the unfavorable order from the Supreme Court in July 2021. Further, in connection to the same, the Company has also filed Special Leave Petition in Supreme Court seeking directions to refer the dispute to the Committee constituted for



amicable settlement of dispute by the Government of India, Ministry of Ports, Shipping and Waterways. These matters are pending for being heard before the Hon'ble Supreme Court, accordingly, depending on the outcome of said matters, the Company will take appropriate action based on the legal advice. Hence, considering the potential resolution of ongoing litigation(s) in due course and the objective of the Board to continue the operations of the Company, the financial statements were required to be prepared on a going concern basis.

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

The Company had 5 Board Meetings during the financial year 2022-23 as listed below. The applicable Secretarial Standards were followed by the Company.

S#	Date
1	26 May 2022
2	22 June 2022
3	6 September 2022
4	1 December 2022
5	23 March 2023

14. TRANSFER TO RESERVES

The Company has not transferred any amount to any reserves.

15. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

17. DEPOSITS

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

18. STATUTORY AUDITORS

The Statutory Auditors, J D S R & Associates, Chartered Accountants, Chennai (Firm's registration no. 0224745) are appointed by the Company for five financial years commencing from 1st April 2021 and ending on 31st March 2026 by the members in the Annual General Meeting held on 30 September 2021.

19. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has in place adequate internal control systems commensurate with the size of its operations. There is no material adverse remark made in Internal Audit Report for 2022-23.

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

The Company has in place a sexual harassment policy and an Internal Complaints Committee formed in line with requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for maintaining the dignity of woman employees and provides for protection against sexual harassment at work place and for prevention and redressal of complaints received regarding the same. The Committee had two meetings during the year under review and there were no complaints received.

21. CHANGES IN BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The changes in the composition of the Board and KMPs during the period under review is given below:

- i. Mr. Gobu Selliaya and Ms. Lau Lee Leng were appointed as non-executive directors with effect from 26 May 2022 and 1 October 2022 respectively. A proposal for regularizing the appointment of Ms. Lau Lee Leng (from additional director to director) would be considered at the ensuing annual general meeting.
- ii. Mr. Michael Formoso, Mr. S. Rajappan and Mr. Anuj Rathi resigned from the post of directorships with effect from 12 May 2022, 9 June 2022 and 1 October 2022 respectively.



22. SHARES

a. FURTHER ISSUE OF EQUITY SHARES

There were no further shares issued in the financial year 2022-23. Total issued and paid-up equity share capital of the Company as on 31st March, 2023 is INR 15,00,00,700/-

b. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

c. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

d. BONUS SHARES

No Bonus Shares were issued during the year under review.

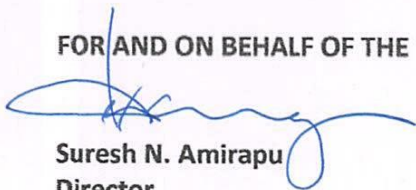
e. EMPLOYEES STOCK OPTION PLAN

The Company has not issued Equity Shares under the Employees Stock Option Plan during the year under review.

23. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to the shareholders, bankers, business associates, consultants and various Government Authorities for their continued support extended to the Company during the year under review. Your Directors also gratefully acknowledge the shareholders for their support and confidence reposed on the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Suresh N. Amirapu
Director
DIN: 00792915



C. Deepkishore Reddy
Director
DIN: 09442096



Date: 6 September 2023
Place: Chennai

Annexure 1

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

Adequate care has been taken in selection, installation and operations of equipment so as to conserve energy.

B. Technology absorption:

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

C. Foreign Exchange Earnings & Outgo:

Earnings in foreign exchange	Amount in INR Mn
Container Handling and related services	41.29
Expenditure in foreign currency	Amount in INR Mn
Insurance for Port Package	4.71
Reimbursement of Expenses	0.23
Import of Spares	1.11

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Suresh N. Amirapu
Director
DIN: 00792915



C. Deepkishore Reddy
Director
DIN: 09442096



Date: 6 September 2023
Place: Chennai

FORM NO. AOC-2

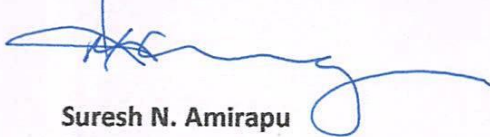
Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis - **NONE**
 - a) Name(s) of the related party and nature of relationship
 - b) Nature of contracts/arrangements/transactions
 - c) Duration of the contracts / arrangements/transactions
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - e) Justification for entering into such contracts or arrangements or transactions
 - f) Date(s) of approval by the Board
 - g) Amount paid as advances, if any
 - h) Date on which the special resolution was passed in General meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis **The contracts entered into are in the ordinary course of business**
 - a) Name(s) of the related party and nature of relationship
 - b) Nature of contracts/arrangements/transactions
 - c) Duration of the contracts / arrangements/transactions
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - e) Date(s) of approval by the Board, if any
 - f) Amount paid as advances, if any

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Suresh N. Amirapu
Director
DIN: 00792915



C. Deepkishore Reddy
Director
DIN: 09442096



Date: 6 September 2023
Place: Chennai

INDEPENDENT AUDITORS' REPORT

To the Members of PSA SICAL Terminals Limited

Report on the audit of the Indian Accounting Standards (Ind AS) Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of **PSA Sical Terminals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to explanations given to us, except for the incomplete disclosure of the information referred to in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

3. As discussed in note 3.1 and note 3.3 to the financial statements, in respect of matters relating to Tariff and royalty matters, (a) the Company had received an unfavourable order from the Honourable Supreme Court of India by setting aside the arbitration award in respect of royalty escalation matter, (b) a demand letter communicating the royalty, interest and penalty payable aggregating to INR 10,273.71 million for the period from July 15, 2011, to February 28, 2019, and termination order dated June 7, 2022, were served on the Company by the V.O.C. Port Authority; and (c) V.O.C. Port Authority had invoked the bank guarantee amounting to INR 620.19 million. In respect of these matters, the Company's financial position has been deteriorated significantly and the Company is unable to conclude on the financing of its liabilities including royalty payable on account of the Company's inability (a) to generate adequate profits in the near future by operating the terminal, (b) to obtain equity infusion / support from its shareholders and / or to obtain fresh financing arrangements from banks, (c) to negotiate / settle the disputes with V.O.C Port Authority and (d) to obtain favourable order from the Supreme Court on the matter of Settlement process before the Committee for Settlement of disputes between the PSA SICAL and Port Trusts, etc. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter.
4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.



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Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including ~~the disclosures~~, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards



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Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, except for the matters referred in Qualified Opinion paragraph.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (Including other comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) In our opinion, the matters referred to in the Qualified Opinion above, may have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, except for the matters stated in Paragraph 3 of this audit report – Refer Note 31 to the financial statements.
 - ii. The Company has long-term contracts as at March 31, 2023 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2023;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.



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- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 43(e) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries")
 - or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year. Hence, reporting under Rule 11(2)(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 this clause is not applicable.

14. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company, however, the Company has neither paid remuneration to any managerial personnel nor is contractually required to make any provision in this regard.

for **J D S R & Associates**

Chartered Accountants

Firm Registration Number: 022474S



S K Jegadesan

Partner

Membership Number: 220362

ICAI UDIN: 23220362BGXVNK5808

Place: Chennai

Date: September 06, 2023

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Annexure A to Independent Auditors' Report to the Members of PSA SICAL Terminals Limited for the year ended March 31, 2023

(Referred to in paragraph 12 of the Independent Auditors' report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of Intangible assets.
 - (b) The Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. During the year, all the property, plant and equipment have been physically verified by the Management and no material discrepancies have been noticed on such verification.
 - (c) The Company does not own any immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in Note 4 to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order is not applicable to the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
 - (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, paragraph 3(ii)(b) is not applicable.
 - (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
 - (iv) The Company has not granted any loan or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
 - (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.



J D S R & Associates

Chartered Accountants

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- (vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 31 to the financial statements regarding management's assessment on certain matters relating to provident fund;
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to clause (a) which have not been deposited on account of any dispute, except for the following:

Name of the Statute	Nature of dues	Amount demanded (INR Millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2.56	1998-99	Honourable Supreme Court
Income Tax Act, 1961	Income Tax	384.81	1999-00, 2001-02, 2003-04 to 2006-07, 2008-09	High Court of Madras
Goods and Services Tax Act, 2017	GST	1.63	July 2017 to March 2020	Assistant Commissioner of CGST & Central Excise, Tuticorin

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, clause 3(ix)(f) of the Order is not applicable.



J D S R & Associates

Chartered Accountants

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- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under section 143(12) of the Companies Act, 2013, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him during the year. Accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 under clause 3(xv) of the Order is not applicable to the Company.



J D S R & Associates

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- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs. 81.27 million in the financial year and of Rs. 3,119.51 million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (also refer note 36 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion and according to the information and explanations given to us, a material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. (Also refer paragraph 3 of our audit report on the financial statements).
- (xx) The provisions relating to Corporate Social Responsibility under section 135 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

for J D S R & Associates

Chartered Accountants

Firm Registration Number: 022474S


S K Jegadesan

Partner

Membership Number: 220362

ICAI UDIN: 23220362BGXVNK5808

Place: Chennai

Date: September 06, 2023

J D S R & Associates

Chartered Accountants

Annexure B to Independent Auditors' Report to the members of PSA Sical Terminals Limited for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



J D S R & Associates

Chartered Accountants

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Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

for J D S R & Associates

Chartered Accountants

Firm Registration No.: 022474S



S K Jegadesan

Partner

Membership No.:220362

ICAI UDIN: 23220362BGXVNK5808

Place: Chennai

Date: September 06, 2023

PSA SICAL TERMINALS LIMITED

Financial statements and related disclosures for year ending
March 31, 2023

PSA SICAL TERMINALS LIMITED

Balance Sheet as at March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Intangible assets	4	34.09	40.53
Financial assets			
i. Other financial assets	5(a)	0.41	0.26
Income-tax assets (net)	17	4.84	4.99
Other non-current assets	6	652.80	32.61
Total non-current assets		692.14	78.39
Current assets			
Inventories	7	14.45	25.51
Financial assets			
(i) Trade receivables	8	0.24	0.22
(ii) Cash and cash equivalents	9	108.57	39.77
(iii) Bank balances other than cash and cash equivalents	10	10.00	445.20
(iv) Other financial assets	5(b)	61.75	70.75
Other current assets	11	5.38	8.92
Total current assets		200.39	590.37
Total assets		892.53	668.76
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	150.00	150.00
Other equity			
Reserves and surplus	13	(3,146.16)	(3,059.30)
Total equity		(2,996.16)	(2,909.30)
LIABILITIES			
Non-current liabilities			
Employee benefit obligations	14	0.14	2.12
Total non-current liabilities		0.14	2.12
Current liabilities			
Financial liabilities			
(i) Trade payables	15		
Total outstanding dues of micro and small enterprises; and		0.03	0.22
Total outstanding dues of trade payables other than micro and small enterprises		30.56	24.74
(ii) Other financial liabilities	16 (a)	3,841.58	3,529.66
Employee benefit obligations	14	6.14	3.49
Other current liabilities	18	10.24	17.83
Total current liabilities		3,888.55	3,575.94
Total liabilities		3,888.69	3,578.06
Total equity and liabilities		892.53	668.76

The above Balance Sheet should be read in conjunction with the accompanying notes.

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

For J D S R & Associates
Chartered Accountants
ICAI Firm registration number: 022474S



S K Jagadesan
Partner
ICAI Membership Number : 220362

Place: Chennai
Date: September 06, 2023

For and on behalf of the Board of Directors of
PSA SICAL Terminals Limited
CIN: U74999TN1998PLC040682



Suresh N Amirapu
Director
DIN: 00792915

C. Deepkishore Reddy
Director
DIN: 09442096

Place: Chennai
Date: September 06, 2023

PSA SICAL TERMINALS LIMITED
Statement of profit and loss for the year ended March 31, 2023
(All amounts in INR Millions, unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
REVENUE			
Revenue from operations	19	407.27	452.89
Other income	20	4.08	18.51
Total income		411.35	471.40
EXPENSES			
Royalty expense	21	196.95	3,279.86
Employee benefit expenses	22	84.50	82.88
Amortisation expense	23	6.44	6.44
Other expenses	24	208.70	224.74
Finance costs	25	2.47	3.43
Total expenses		499.06	3,597.35
Loss before tax		(87.71)	(9,125.95)
Tax expenses:	26		
Current tax		-	-
Income tax related to prior periods		(0.33)	-
Deferred tax		-	-
Total tax (refund) / expense		(0.33)	-
Loss for the year		(87.38)	(3,125.95)
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations		0.52	1.80
Income tax relating to these items		-	-
Other comprehensive income for the year, net of tax		0.52	1.80
Total comprehensive (loss) / income for the year		(86.86)	(3,124.15)
Basic and diluted earnings per share (in INR)	34	(5.83)	(208.40)

The above Statement of profit and loss should be read in conjunction with the accompanying notes.

This is the Statement of profit and loss referred to in our report of even date.

For J D S R & Associates
Chartered Accountants
ICAI Firm registration number: 022474S



S K Jegadesan
Partner
ICAI Membership Number : 220362

Place: Chennai
Date: September 06, 2023

For and on behalf of the Board of Directors of
PSA SICAL Terminals Limited
CIN: U74999TN1998PLC040682



Suresh N Amirapu C. Deepkashore Reddy
Director Director
DIN: 00792915 DIN: 09442096

Place: Chennai
Date: September 06, 2023

PSA SICAL TERMINALS LIMITED

Statement of changes in equity for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

I) Equity Share Capital

	Note	As at March 31, 2023
Balance as at April 1, 2021	12	150.00
Changes in equity share capital during the year		-
Balance as at March 31, 2022		150.00
Changes in equity share capital during the year		-
Balance as at March 31, 2023		150.00

II) Other equity

	Note	Reserves and surplus		Total
		General reserve	Retained earnings	
Balance as at April 1, 2021		84.75	(19.90)	64.85
Total comprehensive income for the year ended March 31, 2022				
Loss for the year	13	-	(3,125.95)	(3,125.95)
Other comprehensive income	13	-	1.80	1.80
Balance as at March 31, 2022		84.75	(3,144.05)	(3,059.30)
Total comprehensive income for the year ended March 31, 2023				
Loss for the year	13	-	(87.38)	(87.38)
Other comprehensive Income	13	-	0.52	0.52
Balance as at March 31, 2023		84.75	(3,230.91)	(3,146.16)

The above Statements of changes in equity should be read in conjunction with the accompanying notes.

This is the Statement of changes in equity referred to in our report of even date.

For J D S R & Associates

Chartered Accountants

ICAI Firm registration number: 022474S



S K Jegadesan

Partner

ICAI Membership Number : 220362

Place: Chennai

Date: September 06, 2023

For and on behalf of the Board of Directors of

PSA SICAL Terminals Limited

CIN: U74999TN1998PLCo40682



Suresh N Amirapu

Director

DIN: 00792915



C. Deepkishore Reddy

Director

DIN: 09442096

Place: Chennai

Date: September 06, 2023

PSA SICAL TERMINALS LIMITED

Statement of cash flows for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from operating activities		
Loss before tax	(87.71)	(3,125.95)
Adjustments for:		
Amortisation expense	6.44	6.44
Provision towards doubtful deposits	-	4.90
Provision for slow-moving inventory	7.56	3.36
Interest income from financial assets at amortised cost	(2.96)	(17.20)
Finance costs	2.47	3.43
Operating profit before working capital changes	(74.20)	(3,125.02)
Change in working capital		
Decrease/ (Increase) in trade receivables	(0.02)	(0.16)
(Increase)/decrease in inventories	3.50	(6.87)
Increase/(decrease) in trade payables	5.63	4.82
(Increase)/decrease in loans and other financial assets	7.13	(1.58)
Decrease in other current and non current assets	(613.85)	(2.41)
(Decrease) / Increase in employee benefit obligations	1.19	1.17
Increase in other financial liabilities	311.92	3,084.55
Increase/(decrease) in other current liabilities	(7.59)	1.24
Cash generated from operations	(366.29)	(44.26)
Taxes (paid)/refund, (net)	(2.32)	0.79
Net cash inflow/(outflow) from operating activities	(368.61)	(43.47)
B. Cash flows from investing activities		
Redemption / (Investment) of bank deposits (net)	435.20	56.00
Interest received	4.60	19.55
Net cash inflow/(outflow) from investing activities	439.88	75.55
C. Cash flows from financing activities		
Finance costs paid	(0.17)	(0.10)
Net cash used in financing activities	(2.47)	(3.43)
Net decrease in cash and cash equivalents (A+B+C)	68.80	28.65
Cash and cash equivalents at the beginning of the financial year	39.77	11.12
Cash and cash equivalents at end of the year	108.57	39.77
Cash and cash equivalents comprises of:		
Cash on hand		0.01
Balances with banks		
- in current accounts	7.78	5.76
Deposits with maturity of less than three months	100.79	34.00
Total Cash and cash equivalents at end of the year	108.57	39.77

Note: The above Statement of cash flows has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

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

For J D S R & Associates
Chartered Accountants
ICAI Firm registration number: 022474S

S K Jegadesan
Partner
ICAI Membership Number : 220362

Place: Chennai
Date: September 06, 2023

**For and on behalf of the Board of Directors of
PSA SICAL Terminals Limited**
CIN: U74999TN1998PLC040682

Suresh N Amirapu
Director
DIN: 00792915

Place: Chennai
Date: September 06, 2023

C. Deepkishore Reddy
Director
DIN: 09442096

1 Corporate Information:

PSA SICAL Terminals Limited ("the Company") was formed as a joint venture between PSA India Pte Limited, Singapore and South India Corporation (Agencies) Limited, India. The Company entered into a Build, Operate and Transfer ("BOT") agreement with the Tuticorin Port Trust ("TPT") on July 15, 1998 for developing the seventh berth at the Tuticorin Port as a Container terminal and continues to operate and maintain the terminal on a BOT basis for a period of 30 years. The Company completed the construction/development and commenced container-handling operations from December 21, 1999.

2 Summary of Significant Accounting Policies

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

2.1 Basis of Preparation of Financial Statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015], other relevant provisions of the Act.

The Company had prepared the financial statements for the year ended March 31, 2017 as per Division I to the Schedule III to the Companies Act, 2013 and in accordance with Companies (Accounting Standards) Rules, 2006. Pursuant to the requirement set out in the notification no. G.S.R. 111(E) dated February 16, 2015 read with G.S.R. 404(E) dated April 06, 2016 issued by ministry of corporate affairs, the Company should have prepared the financial statements for the year ended March 31, 2017 as per Division II to Schedule III and in accordance with Companies (Indian Accounting Standards) Rules, 2015 (as amended) as required by Section 129 of the Companies Act, 2013 for the year ended March 31, 2017.

(ii) New and amended Standards adopted by the Company

Other amendments to the existing standards as listed below did not have any impact on the amount recognised in the prior year and are not expected to significantly affect the current or future years:

- (a) COVID-19 related concessions – amendments to Ind AS 116
- (b) Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

(iii) Going concern

The Company's ability to continue as a going concern is largely dependent upon the resolution of the tariff related matters and royalty escalations for royalty payments as set out in Note 3.1, the discrimination matter as set out in Note 3.2 and Settlement process before the Committee as set out in Note 3.3.

Pending resolution of said uncertainties involved in the disputes, settlement process, etc. referred to above in Note 3.1, 3.2 and 3.3 the Company has not recorded any adjustments to the assets and liabilities including adjustments relating to recognition of impairment, if any, as the Company, based on the opinion of its legal counsel, and in light of the progress made in the said disputes/settlement process etc., believes that it has a reasonably good chance of success in the ongoing litigations and it will be able to amicably settle the disputes, etc. with the TPT before the Committee for settlement of disputes between PSA SICAL and Port Trusts constituted by the Ministry of Ports, Shipping and Waterways ('MoPSW').

Accordingly, in view of potential resolution of ongoing disputes/business disruptions in due course, the financial statements continue to be prepared on a going concern basis.

(iv) Estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line items in the financial statements.

Critical estimates and judgements:

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable (Refer note. 17 (a))
- Non recognition of deferred tax assets (Refer note. 17(b))
- Estimation of defined benefit obligation (Refer note. 14)
- Estimation of fair values of contingent liabilities (Refer note. 3.1, 3.2 and note 31 A)

(v) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value; and
- defined benefit plans - plan assets measured at fair value



2.2 Foreign currency translation

Functional and presentation currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign exchange gains and losses resulting from settlement of such transactions are recognized in the Statement of Profit and Loss.

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

2.3 Intangible assets

Port concessionaire rights are capitalised on the basis of the costs incurred to acquire them. They are stated at cost net of accumulated amortisation.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at January 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible asset

Port concessionaire rights are amortised over the tenure of the relevant agreement.

2.4 Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired, i.e. when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.5 Inventory

Inventory consists of stores and spare parts, which are valued at lower of cost and net realizable value. Cost of inventory is determined on monthly moving weighted average basis and comprises cost of purchase and all incidental costs incurred in bringing the inventories to their present location and condition.

2.6 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.7 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.



2.8 Financial Assets

Classification

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

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

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

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- 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 Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the it has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company 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 it retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition

Interest income

Interest income from financial assets are fair value through profit or loss is disclosed as Interest income within other income. Interest income on financial assets at amortized cost is calculated using the effective interest method and is recognized in the statement of profit and loss as a part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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.



2.9 Revenue Recognition

Revenue is recognised when a customer obtains control of a promised goods or service and thus has the ability to direct the use and obtain the benefits from the goods or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. For each contract with a customer, the Company applies the below five step process before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Sale of Services

Revenue from port services rendered is recognised at a point in time, when the Company satisfies a performance obligation by transferring service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to satisfied performance obligation. Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised services.

Incentives:

The Company provides rebates to certain customers once the quantity of products purchased during the year exceeds a threshold specified in the contract. Rebates are offset against the amounts payable by the customer.

Significant financing component:

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component, if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and the customer pays for that good or service will be one year or less. Thus there is no significant financing component.

Contract balances:

i) Contract assets

A contract asset is the right to consideration in exchange for certain services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before the payment is due, a contract asset is recognized for the earned consideration that is conditional.

ii) Trade receivables

Trade receivables is part of contract balances as per Ind AS 115.

iii) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company pays services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Other operating revenues

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of contract.

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost is calculated using the effective interest rate method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.



2.10 Service Concession agreements

The Company constructs or upgrades Port terminals used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the operator receives a right (i.e. a concessionaire) to charge users of the public service. If the operator performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are not separately identifiable.

The intangible asset is amortized over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use. An asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal. The Company recognizes a financial asset to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor.

2.11 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.12 Leases

Payments associated with the Short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the period agreed with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.



2.14 Provisions and contingent liabilities

Provisions: Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

2.15 Employee benefits**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations:

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Defined benefit plans:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans:

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



2.16 Earnings per Share

Basic earnings per share:

Basic earnings per share is calculated by dividing:

-the profit attributable to owners of the group

-by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

-the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

-the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within income.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.19 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, which includes the following:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect these amendments to have any significant impact in its standalone financial statements.

2.20 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.



3.1 Tariff and royalty

Tariff matter

The Company entered into a Build, Operate and Transfer agreement ('BOT' / 'License' agreement) with Tuticorin Port Trust ('TPT') (now V.O Chidambaranar Port Authority) in July 1998 for developing the container terminal at the Berth VII in Tuticorin Port and operating it for a period of 30 years at the end of which it would be transferred to TPT. At the time of entering into this agreement, the BOT agreement contained certain tariff rates and there were no other guidelines for fixing the tariff. The Company's understanding at the time of entering into an agreement was that any subsequent notification by Tariff Authority for Major Ports ('TAMP') would consider royalty as a pass through expenditure for the purposes of tariff determination and accordingly, the Company would be able to charge increased tariffs as and when the royalty increased. Further, the tariff rates included in the BOT agreement were confirmed by TAMP in 1999.

Subsequently in September 2002, TAMP notified the tariff rates for the Company wherein royalty was not allowed as a pass through expenditure. The Company has been challenging the validity of successive tariff orders (Tariff order dated September 20, 2002, and August 23, 2006) of TAMP by filing writ petitions in the Honourable High Court of Judicature at Madras.

Thereafter, TAMP passed an order on December 17, 2008, determining a revised tariff for the next three years. Such revised reduced prospective tariff had been determined to enable the adjustment of INR 1,322.60 million, an amount determined by TAMP towards additional tariffs collected in the past, allowing only nil/reduced royalty as pass through of expenditure for the period up to November 28, 2003 and 46.86% of royalty for the periods thereafter up to the date of TAMP order on December 17, 2008. Aggrieved by this Order, the Company had filed a writ petition (3rd writ petition) before the Honourable High Court of Judicature at Madras against the TAMP order dated December 17, 2008, and the GOI direction to TAMP dated February 20, 2008, regarding not allowing full royalty as pass through expenditure. The 3rd writ petition was disposed by the Honourable High Court by its Order dated October 15, 2009 setting aside the December 17, 2008 TAMP Order and February 20, 2008 GOI policy direction.

TAMP had filed an appeal to set aside the High Court order dated October 15, 2009, and for securing the payment of INR 1,322.60 million (either through deposit or through a bank guarantee), which had been considered by TAMP as adjustment for arriving at the prospective tariff for the next three years. The Company had filed its counter affidavit and also had appealed against the Order to the division bench of Madras High Court against the said Order. In addition to above, a fresh writ petition was filed challenging the tariff guideline 2005. The said writ appeal came up for admission on February 11, 2010, before the first bench of the Madras High Court presided over by the Honourable Chief Justice. The Court while issuing notice in the writ appeal directed both the writ appeals to be posted together which the Company has complied with.

The writ petition for the guideline was dismissed by the High Court of Madras on June 13, 2018. The Company filed miscellaneous writ petition to recall the order dated June 13, 2018 and condonation of delay in filing the writ petition. This case was heard on July 23, 2019 and issue the notice to the respondent.

No further hearing was posted till date. Pending such writ appeal, the Company continues to levy the 1999 TAMP notified tariff rates.

The Company based on the legal counsel view believes that it has fairly good chance of success in the above said related matters.

Royalty matter

In June 2011, the Company filed a petition under Section 9 of the Arbitration and Conciliation Act, 1996 with the Honourable District Court of Tuticorin in relation to escalation of royalty rates levied by TPT under the License Agreement entered into by the Company with the TPT in 1998. As per the escalation terms set out in the said agreement, the royalty rates were revised from INR 1,969 to INR 3,863 per TEUs periodically. Constrained by the escalated royalty rates, the Company had approached the District Court, Tuticorin for relief. On June 30, 2011, the District Court has granted an interim stay order restraining the TPT from levying the escalated royalty rates. The stay order was made absolute vide order dated April 30, 2012, pending disposal of arbitration proceedings. An award was passed on December 12, 2014 in favour of the Company, which was upheld by the District Court and the order of District Court was subsequently challenged before the High Court of Madras as well as the Honourable Supreme Court.

The Honourable Supreme Court of India by its order dated July 28, 2021, had dismissed, the appeal filed by the Company against the Madras High Court order. The said Supreme Court order also stated that the issue is confined to validity of the arbitration award and clarified that any observations made by the High Court with regard to other aspects of the matters except the validity of arbitration award, would not come in the way of either of the parties (the Company / VOCT) raising their grievances therein.

During August 2021, the Company has received a letter from VOCT, communicating the royalty, interest, penalty payable and differential foreign exchange rate payable for the period from July 15, 2011, to February 28, 2019, aggregating to INR 10,273.71 million.

Based on the information and best estimates available with the management as at the balance sheet date, the Company has accrued royalty aggregating to INR 3,510.23 million for the period commencing from July 15, 2011 to February 28, 2019. In respect of royalty payable for the period from March 2019 to March 2023, the Company has paid royalty of INR 50 million for March 2019 and a fixed royalty for the period of April 2019 to October 2019 amounting to INR 75 million and INR 15 million per month from November 2019 to March 2023, as per arbitration interim award (refer note 3.2). The differential royalty based on MGT for the period April 2019 to March 2023, interest payable and penalty for the period July 2011 to March 2023 amounting to INR 3,685.09 million, INR 5,669.66 million and INR 143.91 million respectively, are disclosed as contingent liability in note 31A to the financial statements.



3.2 Discrimination by TPT affecting the operations of the Company

The Company is operating from Berth VII with a draught level of 11.7 meters, TPT has developed another Container handling terminal, namely Berth VIII, with a present draught level of 14.2 meters. Berth VIII is managed by a competitor under a BOT agreement with TPT. The deeper draught level to the Competitor has resulted in a significant loss in market share to the Company.

The Company has filed a writ petition before the Madurai Bench of Madras High Court ("Court") with the contention that, unless the draught of Berth VII is deepened, the Company will not be able to cater to the needs of the larger vessels. The Company has petitioned to the Court to direct the Port to deepen the draught of Berth VII to the same level of Berth VIII and that the Port must allow the Company to operate from an alternate Berth with a draught similar to Berth VIII, until such time Berth VII is deepened. The Company also wants to get rid of the obligation to pay the minimum monthly guaranteed amount and instead must be allowed to pay royalty on the basis of actual turnover. Consequentially, the Port shall also be restrained from encashing the bank guarantee given by the Company towards the differential royalty amount. The Court passed an order dated April 23, 2019 dismissing the Company's contention and restrained the Port from encashing the bank guarantee till May 01, 2019.

Aggrieved by this order the Company has filed a writ appeal before a larger bench of the Court to set aside the order dated April 23, 2019. The Court in its order dated July 29, 2019, has disposed the appeal directing both parties to appoint their respective Arbitrator on or before August 16, 2019. The Court upheld the order passed on April 23, 2019, for a period of 12 weeks from August 26, 2019. An appeal from the order of the Court the Company has appointed an arbitrator to contest the case.

The first arbitration panel meeting was held on September 17, 2019, and decided to file the claimant statement on or before October 20, 2019, and that the respondent shall file their counter on or before October 28, 2019. The case was heard on November 02, 2019, and arbitration tribunal passed the interim order to pay arrear royalty from April 2019 to October 2019 amounting to INR 75 million and INR 15 million per month from November 2019. The case was heard on January 08, 2020, and next hearing was postponed to February 15, 2020. The Company was directed to file the Proof Affidavit of its Witnesses on or before April 07, 2020, and fix the hearing on April 18, 2020 and April 25, 2020 for cross examination of the Claimant's witness and to frame additional issues. However, owing to the outbreak of the COVID-19 pandemic, the said hearing had to be rescheduled since physical appearances of the parties and their counsels before the Tribunal was not possible.

Considering that the business of the Company being gravely prejudiced by the outbreak of the pandemic, the Company had also issued a notice dated April 10, 2020, to the TPT, invoking the provisions of the force majeure clause contained in the said License Agreement in response to which a reply dated May 7, 2020, has been issued by the TPT.

The Company filed an interim application on May 02, 2020, and a memo dated July 13, 2020. The TPT has filed a counter on July 13, 2020 and replied for the memo on August 21, 2020.

In response to the issue pertaining to the replacement of the equipment, the Company has submitted that non-replacement of the equipment is owing to the pendency of disputes between the Company and the Port (Also, refer note 31 B). The Company has filed its proof affidavit and the Company's witness was cross examined on November 28, 2020. An affidavit dated December 15, 2020, clarifying certain information / documents has also been filed by the witness. Consequently, cross examination of two witnesses of the Company was completed on July 21, 2021. Further, cross examination of the Independent Crane expert and re-examination was done during March 2022.

On June 8, 2022, the TPT had encashed the performance bank guarantee ("BG") amounting to INR 620.19 million. The Company had filed contempt application against the TPT's encashment of Company's bank guarantee, with the Arbitration Tribunal. The Arbitration Tribunal has ordered the TPT to deposit INR 620.19 million in a separate fixed deposit account and hand over the copy of fixed deposit receipt to the Arbitration Tribunal and restrained the TPT from making any demand for furnishing any further bank guarantee until Final Award is passed by the Arbitration Panel in the Draught Discrimination Matter.

Subsequently on July 7, 2023, the final award was passed in favour of the Company in terms of majority view of the Arbitral Tribunal. Further, the Arbitral Tribunal directed that the interim order dated October 20, 2019, shall continue to be operative for a period of 3 months from the date of final arbitral Order. The Arbitral Tribunal also directed that the fixed deposits totalling to INR 620.19 million shall continue to be retained the bank for a period of 3 months from the date of final arbitral order.

3.3 Settlement process before the committee

During July 2020, the MOPSW has constituted a Committee for settlement of disputes between PSA SICAL and Port Trusts ("Committee") to examine the disputes / court cases, to negotiate with PSA Sical, to assess the overall financial implications, etc and to suggest recommendations / way forward to the MOPSW. The Company has filed Writ Petitions at the Honourable High Court of Madras on the matters of disbanding the said Committee vide its Office Memorandum dated November 11, 2021 and seeking a direction to expeditiously proceed with the proceedings initiated by the Committee for settlement of disputes between the Company and TPT. These writ petitions were dismissed by the High Court of Madras on January 19, 2022. The Company had filed writ appeals against the Order dated January 19, 2022 and these writ appeals were also dismissed on June 7, 2022.

In the meantime, TPT had served notice of intent to terminate on October 6, 2021, notice to terminate on January 20, 2022 and termination order on June 7, 2022. Aggrieved by the order of High court of Madras dated June 7, 2022 and termination order dated June 7, 2022, the Company has filed the SLP in Supreme Court on June 13, 2022 seeking to grant special leave to appeal against the said High court order, to restrain TPT from creation of third-party rights over the Terminal operated by the Company, to restrain TPT taking any coercive action in relation to termination of BOT agreement pending SLP. The Company has obtained stay order from the Supreme Court in maintaining status quo.

Also, refer to Note 35 on subsequent events



PSA SICAL TERMINALS LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2023
(All amounts in INR Millions, unless otherwise stated)

4 Intangible assets

The reconciliation for changes in the carrying value of Intangible assets for the year ended March 31, 2023 are as follows:

Asset Description	Gross Block (at cost)				Accumulated Amortisation			Net Block	
	As at April 1, 2022	Additions	Deletions	As at March 31, 2023	As at April 1, 2022	Amortisation for the year	Deletions	As at March 31, 2022	As at March 31, 2023
Port concessionaire rights	85.33	-	-	85.33	44.80	6.44	-	40.53	34.09
Total	85.33	-	-	85.33	44.80	6.44	-	40.53	34.09

The reconciliation for changes in the carrying value of Intangible assets for the year ended March 31, 2022 are as follows:

Asset Description	Gross Block (at cost)				Accumulated Amortisation			Net Block	
	As at April 1, 2021	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	Amortisation for the year	Deletions	As at March 31, 2021	As at March 31, 2022
Port concessionaire rights	85.33	-	-	85.33	38.36	6.44	-	46.97	40.53
Total	85.33	-	-	85.33	38.36	6.44	-	46.97	40.53

4.1 Refer to note 2.3, 2.4 and 2.10 for information on significant accounting policies.



PSA SICAL TERMINALS LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2023
(All amounts in INR Millions, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
5(a) Other financial assets - Non current		
<i>Considered good - Unsecured</i>		
Security deposits	0.41	0.26
<i>Considered doubtful - Unsecured</i>		
Security deposits	4.90	4.90
Provision for doubtful security deposits	(4.90)	(4.90)
Total Other financial assets - Non current	0.41	0.26
5(b) Other financial assets- Current		
<i>Considered good - Unsecured</i>		
Interest accrued on deposits with banks	0.46	2.18
Unbilled revenue (refer note 19(c))	0.19	7.47
Export Incentive receivable	61.10	61.10
Total other financial assets- current	61.75	70.75
6 Other non-current assets		
Deposits with Government Authorities**	652.80	32.61
Total other non-current assets	652.80	32.61
*Refer note 17(a) for movement in tax assets and tax liabilities		
**Balance pertains to amount (INR 32.61 million) paid under protest based on the order from Madras High Court in lieu of litigation and amount of bank guarantee invoked by the V.O.C Port Trust of INR 620.19 million and deposited with the Arbitration Tribunal on behalf of the Company.		
7 Inventories		
Stores and spares*	14.45	25.51
Total inventories	14.45	25.51
*Inventory includes amount provided for non moving stocks amounting INR 19.19 Million (March 31, 2022: INR 11.63 Million).		
8 Trade receivables		
<i>Trade receivables considered good- Unsecured</i>		
- Receivables from related parties (refer note 30(g))		
- Receivables from others	4.38	4.36
	4.38	4.36
Less: Provision for Bad and doubtful debts (loss allowance)	(4.14)	(4.14)
Total trade receivables	0.24	0.22
The trade receivable of the Company do not contain a significant financing component and accordingly, the Company has adopted a simplified approach under Ind AS 109 for recognition of impairment of losses on trade receivables. Consequently, the disclosure of trade receivables into "Trade receivables which have significant increase in credit risk" has not been given since it is not relevant in the context of the Company.		
Refer Note 37 for ageing schedule of Trade Receivables.		
9 Cash and cash equivalents		
Balances with banks		
- in current accounts	7.78	5.76
Deposits with maturity of less than three months	100.79	34.00
Cash on hand	-	0.01
Total cash and cash equivalents	108.57	39.77
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.		
10 Bank balances other than cash and cash equivalents		
Deposits with maturity of more than three months but less than 12 months*	10.00	445.20
Total Bank balances other than cash and cash equivalents	10.00	445.20
* Amount of INR 10 million (Previous year: 414.20 million) held as lien by bank against bank guarantee given to Port Trust for royalty liability.		
11 Other current assets		
Advance to suppliers	1.54	1.65
Prepaid expenses	3.84	6.22
Goods and services tax (GST) recoverable	-	1.05
Total other current assets	5.38	8.92



PSA SICAL TERMINALS LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
12 Equity share capital		
Authorised		
50,000,000 (March 31, 2022: 50,000,000) equity shares of INR 10 each	500.00	500.00
30,000,000 (March 31, 2022: 30,000,000) preference shares of INR 10 each	300.00	300.00
	800.00	800.00
Issued, Subscribed and Paid up		
15,000,070 (March 31, 2022: 15,000,070) equity shares of INR 10 each	150.00	150.00
Total	150.00	150.00
(i) Reconciliation of number of equity shares		
Balance at the beginning of the year	15,000,070	15,000,070
Movement during the year	-	-
Balance at the end of the year	15,000,070	15,000,070

(ii) Terms and rights attached to equity shares

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

(iii) Shares of the Company held by holding company

Name of Entity	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
PSA India Pte Limited, Singapore	7,649,992	76.50	7,649,992	76.50
	7,649,992	76.50	7,649,992	76.50

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

Name of Entity	March 31, 2023		March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
PSA India Pte Limited, Singapore	7,649,992	51.00%	7,649,992	51.00%
Sical Logistics Limited	5,625,030	37.50%	5,625,030	37.50%
Trigger Supply Private Limited	1,725,008	11.50%	1,725,008	11.50%
	15,000,030	100.00%	15,000,030	100.00%

(v) Details of promoters' shareholding:

Promoter name	Share held at the end of the year		% Change during the year	
	No. of Shares	% of total shares	No. of Shares	% of total shares
PSA India Pte Limited, Singapore	7,649,992	51.00	-	-
	(7,649,992)	(51.00)	-	-
Sical Logistics Limited	5,625,030	37.50	-	-
	(5,625,030)	(37.50)	-	-
Trigger Supply Private Limited	1,725,008	11.50	-	-
	(1,725,008)	(11.50)	-	-
TOTAL	15,000,030	100.00	-	-
	(15,000,030)	(100.00)	-	-

(Figures in brackets denote prior year figures)



PSA SICAL TERMINALS LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
13 Reserves and surplus		
General reserve	84.75	84.75
Retained earnings	(3,230.91)	(3,144.05)
Total reserves and surplus	(3,146.16)	(3,059.30)
a) General reserve		
Opening balance	84.75	84.75
Additions during the year	-	-
Closing balance	84.75	84.75
b) Retained earnings		
Opening balance	(3,144.05)	(19.90)
Net loss for the year	(87.38)	(3,125.95)
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligation, net of tax	0.52	1.80
Closing balance	(3,230.91)	(3,144.05)

Nature and Purpose of Retained earnings

Retained earnings: Company's cumulative earnings since its formation minus the dividends, capitalisation and earnings transferred to retained earnings. This is available for distribution to shareholders.



14 Employee benefit obligations

	March 31, 2023			March 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	2.86	-	2.86	2.75	-	2.75
Gratuity	3.28	0.14	3.42	0.74	2.12	2.86
Total employee benefit obligations	6.14	0.14	6.28	3.49	2.12	5.61

(i) Other long-term employee benefit obligations - Compensated absences

The leave obligations cover the Company's liability for earned leave. The amount of provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post-employment obligations - Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund at the rate of 12% of the eligible salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor constructive obligations. The expense recognised during the period towards defined contribution plan is INR 3.78 million for the year ended March 31, 2023 and INR 4.19 million for year ended March 31, 2022.

(iii) Post-employment obligations - Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation of India (LIC).

Post-employment benefits - Defined benefit plan - Gratuity

	Present value of obligation	Fair value of plan assets	Net amount
Balances as at April 1, 2021	26.11	(22.88)	3.23
Current service cost	1.53	-	1.53
Interest expense/(income)	1.57	(1.37)	0.20
Total amount recognised in profit or loss	3.10	(1.37)	1.73
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.29)	(0.29)
Loss from change in demographic assumptions	(0.38)	-	(0.38)
Loss from change in financial assumptions	(0.28)	-	(0.28)
Experience gains	(0.85)	-	(0.85)
Total amount recognised in other comprehensive income	(1.51)	(0.29)	(1.80)
Employer contributions	-	(0.30)	(0.30)
Benefit payments	(0.34)	0.34	-
Balances as at March 31, 2022	27.36	(24.50)	2.86
Balances as at April 1, 2022	27.36	(24.50)	2.86
Current service cost	1.65	-	1.65
Interest expense/(income)	1.70	(1.52)	0.18
Total amount recognised in profit or loss	3.35	(1.52)	1.83
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.31)	(0.31)
Loss from change in demographic assumptions	(0.33)	-	(0.33)
Loss from change in financial assumptions	(1.03)	-	(1.03)
Experience loss	1.15	-	1.15
Total amount recognised in other comprehensive income	(0.21)	(0.31)	(0.52)
Employer contributions	-	(0.75)	(0.75)
Benefit payments	(0.34)	0.34	-
Balances as at March 31, 2023	30.16	(26.74)	3.42

The net liability disclosed above relates to funded plan is as follows:

	March 31, 2023	March 31, 2022
Present value of funded obligations	30.16	27.36
Fair value of plan assets	(26.74)	(24.50)
Deficit of funded plan	3.42	2.86



14 Employee benefit obligations (continued)**(iv) Post-employment benefits - Gratuity**

Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

	March 31, 2023	March 31, 2022
Discount rate	7.10%	6.20%
Salary growth rate	8.00%	8.00%
Attrition rate	12.00%	6.00%

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

(v) Sensitivity analysis

The significant actuarial assumptions to which the defined benefit obligation results are particularly sensitive to are discount rate, future salary growth rate, attrition rate and mortality rate. The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	March 31, 2023	March 31, 2022
A. Discount rate +1 %	29.06	26.00
B. Discount rate - 1 %	31.29	28.79
C. Salary growth rate +1%	31.34	28.82
D. Salary growth rate - 1%	28.99	25.94
E. Attrition rate +1%	30.00	27.14
F. Attrition rate - 1%	30.31	27.57
G. Mortality + 1%	30.14	27.33
H. Mortality - 1%	30.15	27.36

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vi) Major Category of Plan Assets as a % of total Plan Assets

The Company has plan assets by way of investment of funds in Life Insurance Corporation of India (LIC) for funding the Company's gratuity liability. The fair value of the plan assets is as follows:

	March 31, 2023	March 31, 2022
Funds managed by Life Insurance Corporation of India	100%	100%

(vii) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit.

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(viii) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 4 years (March 31, 2022: 5 years). The expected maturity analysis of undiscounted gratuity is as follows:

	1 year	Between 2 - 5 years	Over 5 years	Total
March 31, 2023	3.83	23.58	12.39	39.80
March 31, 2022	1.69	7.07	29.36	38.12



PSA SICAL TERMINALS LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022	
15 Trade payables			
Total outstanding dues of micro and small enterprises	0.03	0.22	
Total outstanding dues of trade payables other than micro and small enterprise			
Payable to others	0.71	2.38	
Provision for expenses	29.85	22.36	
Total trade payables	30.59	24.96	
*Refer note 29(e) for related party balances			
Refer Note 38 for ageing schedule of Trade Payables.			
16 (a) Other financial liabilities			
Payable to employees	15.18	4.26	
Royalty dues	3,510.40	3,525.40	
Other payables (Refer Note below)	316.00	-	
Total other financial liabilities	3,841.58	3,529.66	
Note: Other payables pertain to amounts paid by PSA India Pte. Ltd to DBS Bank Limited, to fund the Company for shortfall in bank guarantee invoked by the V.O.C Port Trust. These amounts are payable on demand and does not carry any interest.			
17 Income-tax assets (net)			
Advance income tax and tax deducted at source*	4.84	4.99	
Total income-tax assets (net)	4.84	4.99	
17 (a) Movement in income tax assets and liabilities			
	Advance Tax	Provision for tax	Total
Balance as on April 1, 2021	33.54	27.76	5.78
Provision for tax for the period ended March 31, 2022	-	-	-
Taxes paid during the year	(0.79)	-	(0.79)
Reversal on account of completion of tax assessments	-	-	-
Closing balance as on March 31, 2022	32.75	27.76	4.99
Provision for tax for the period ended March 31, 2023	-	-	-
Taxes paid / (refund) during the year	2.32	-	2.32
Reversal on account of completion of tax assessments	(30.23)	(27.76)	(2.47)
Closing balance as on March 31, 2023	4.84	-	4.84
17 (b) Deferred tax assets			
The balance comprises temporary differences attributable to			
Deferred tax liability on account of Intangible Assets (A)	0.28	0.76	
Deferred tax asset on account of			
- Expenses allowable on payment basis	(2.75)	(2.53)	
- Carried forward loss	(84.65)	(76.41)	
- Doubtful debts	(1.08)	(1.08)	
- Provisions	(276.10)	(276.56)	
Total deferred tax assets	(364.58)	(356.58)	
Deferred tax asset restricted to Deferred tax liability (B)	(0.28)	(0.76)	
Net deferred tax liability/ (asset) (A+B)	-	-	
Note:			
Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the absence of future taxable profit of the Company. In the view of absence of reasonable certainty of realization of unabsorbed loss and other timing differences, deferred tax asset amounting to INR 364.30 million as at March 31, 2023 (March 31, 2022: INR 355.82 million) has not been recognised by the Company.			
18 Other current liabilities			
Advance from customers	5.74	12.23	
Deposit from customers	0.37	0.31	
Statutory liabilities	4.13	5.29	
Total other current liabilities	10.24	17.83	



PSA SICAL TERMINALS LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

19 Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Sale of Services		
Container handling charges	339.28	378.00
Wharfage charges	61.96	68.04
Storage rent	2.91	3.47
Reefer charges	3.12	3.38
	407.27	452.89
Other operating income		
Export incentives	-	-
Total revenue from operations	407.27	452.89

19 (a) Reconciliation of revenue recognised in statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contracted price	407.27	453.06
Adjustments:		
Rebate	-	(0.17)
Revenue from contract with customers	407.27	452.89

19 (b) The operations of the Company relate to only one segment viz., container handling at port and related services. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

19 (c) Contract assets

The following schedule gives the movement of contract assets for the reporting period.

Particulars	As at March 31, 2023	As at March 31, 2022
Contract assets - Unbilled revenue* (refer note 5 (b))	7.47	5.88
Add/(Less):		
Unbilled receivable recognised as at the year - end	0.19	7.47
Trade receivable recognised from opening contract asset	(7.47)	(5.88)
Contract assets at the end of the year	0.19	7.47

* Contract assets represent unbilled revenue i.e. revenue recognised based on the completion of performance obligation. Upon billing or per the terms of contract, the amount recognised as contract assets are reclassified to trade receivables.

19 (d) Transaction price allocated to the remaining performance obligations

The Company's contracts with customers are short-term contracts with performance obligations that has an original expected duration of one year or less. Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

20 Other income

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from financial assets at amortised cost	2.96	17.20
Miscellaneous income	1.12	1.31
Total other income	4.08	18.51



PSA SICAL TERMINALS LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
21 Royalty expenses		
Royalty (refer note 3.1 and 31 A)	180.00	3,264.57
Foreign exchange royalty	16.95	15.29
Total royalty expense	196.95	3,279.86
22 Employee benefit expenses		
Salaries, wages and bonus	71.80	68.48
Contribution to gratuity fund (refer note 14 (iii))	1.83	1.73
Contribution to provident and other funds (refer note 14 (ii))	3.78	4.19
Staff welfare expenses	7.09	8.48
Total employee benefit expenses	84.50	82.88
23 Amortisation expense		
Amortisation of intangible assets	6.44	6.44
Total amortisation expense	6.44	6.44
24 Other expenses		
Consumption of stores and spares	7.17	10.16
Power and fuel	68.73	72.18
Equipment hire and related charges*	24.38	22.80
Prime mover driver salary	0.44	2.76
Lashing and unlashings	11.01	12.01
Bank charges	0.12	0.07
Rates and taxes	0.24	0.18
Insurance	7.13	5.70
Repairs and maintenance		
- Buildings	1.70	2.52
- Plant and machinery	4.52	8.08
Legal and professional fees	62.99	69.39
Payment to auditors (Refer note 24(a) below)	0.30	0.30
Contributions towards Corporate Social Responsibility (CSR) [Refer note 24(b) below]	-	-
Travelling and communication expenses	4.78	2.61
Provision for doubtful security deposits	-	1.00
Provision for slow-moving inventory	7.56	3.36
Miscellaneous expenses	7.63	7.72
Total other expenses	208.70	224.74
* Includes rental charges on short-term leases amounting to INR 19.84 Million (FY 2021-22 - INR 18.30 Million)		
24(a) Details of payment to auditors		
Statutory audit	0.20	0.20
Other services	0.10	0.10
Out of pocket expenses	0.01	0.01
Total	0.31	0.31
24(b) Corporate social responsibility (CSR) expenditure		
Amount required to be spent as per Section 135 of the Act	-	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	-	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-



PSA SICAL TERMINALS LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
25 Finance costs		
Commission on bank guarantee	2.47	3.43
Total finance costs	2.47	3.43
26 Income tax expense		
(a) Income tax expense		
<i>Current tax</i>		
Current tax on (loss)/profit for the year	-	-
Adjustments for current tax of prior periods	(0.33)	-
Total current tax expense / (benefit)	(0.33)	-
Total deferred tax expense/(benefit)	-	-
Income tax expense	(0.33)	-
(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:		
Loss before income tax expenses	(87.71)	(3,125.95)
Tax at the tax rate of 26.00% (March 31, 2022: 26.00%)	(22.80)	(812.75)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Non recognition of deferred tax on timing difference	(8.48)	(299.42)
Others	30.95	1,112.17
Income tax expenses	(0.33)	0.00



27 Fair value measurements

Financial instruments by category

Particulars	Note	Hierarchy	March 31, 2023			March 31, 2022		
			FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets								
Trade receivables	8	3	-	-	0.24	-	-	0.22
Cash and cash equivalents	9		-	-	108.57	-	-	39.77
Bank balances other than cash and cash equivalents	10		-	-	10.00	-	-	445.20
Other financial assets - Security deposits	5(a)	3	-	-	0.41	-	-	0.26
Interest accrued on deposits with banks	5(b)	3	-	-	0.46	-	-	2.18
Unbilled revenue	5(b)	3	-	-	0.19	-	-	7.47
Export incentive receivable	5(b)	3	-	-	61.10	-	-	61.10
Total financial assets			-	-	180.97	-	-	556.20
Financial liabilities								
Trade payables	15	3	-	-	30.59	-	-	24.96
Payable to employees	16 (a)	3	-	-	15.18	-	-	4.26
Royalty payable	16 (a)	3	-	-	3,510.40	-	-	3,525.40
Other payables	16 (a)	3	-	-	316.00	-	-	-
Total financial liabilities			-	-	3,872.17	-	-	3,554.62

(a) Fair valuation hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as under:

There has been no transfers between Level 1, Level 2 and Level 3 during the year.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments as and where applicable include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(c) Fair value of financial assets and financial liabilities measured at amortised cost

Financial assets	Notes	Hierarchy	March 31, 2023		March 31, 2022	
			Carrying amount	Fair value	Carrying amount	Fair value
<i>Loans</i>						
Security deposits	5(a)	3	0.41	0.41	0.26	0.26
Total Assets			0.41	0.41	0.26	0.26

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, unbilled revenue and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



28 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages these risks.

Risk	Exposure arising from	Measurement	Management
Credit risk (Refer Note A)	Cash and cash equivalents, trade receivables and contract assets, financial assets measured at amortised cost	Aging analysis Credit ratings	Diversification of bank deposits and frequent review of counterparty's default probability
Liquidity risk (Refer Note B)	Trade payable and other liabilities	Rolling cash flow forecasts	Availability of adequate short term deposits
Market risk - foreign exchange (Refer Note C)	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Foreign exchange risk is mitigated by entering into foreign exchange forward contracts

(A) Credit risk

Company faces credit risk from cash and cash equivalents, deposits with banks and financial institutions and credit exposure to customers including outstanding receivables and financial assets measured at amortised costs.

(i) Credit risk management

a) Credit risk on deposits is mitigated by depositing the funds in reputed private sector banks.

b) Credit risk on unsecured deposits is managed based on Company's established policy, procedures and controls. Outstanding deposits are regularly monitored and assessed for their recoverability.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

c) Expected credit loss for trade receivables under simplified approach

Collections from customers have been historically good, given that credit periods are almost negligible and recovery is managed by various sweep-in arrangements with banks.

Customer credit risk is managed by the Company based on the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and assessed for its recoverability. An impairment analysis is performed at each reporting date for each customer. The Company provides for such credit losses based on its customer wise assessment. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers has sufficient capacity to meet the obligations and the risk of default is negligible.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors the Company's liquidity requirements on the basis of monthly and yearly projections.

The Company's principal source of liquidity are cash flows that are generated from operations and surplus cash is deposited in the banks which are liquidated based on working capital requirements.

The amounts disclosed in the table are the maturity profile of contractual undiscounted cash flows of the Company's financial liabilities:

Particulars	March 31, 2023			March 31, 2022		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	30.59	-	30.59	24.96	-	24.96
Payable to employees	15.18	-	15.18	4.26	-	4.26
Royalty payable	3,510.40	-	3,510.40	3,525.40	-	3,525.40
Total	3,556.17	-	3,556.17	3,554.62	-	3,554.62

(C) Market risk

(i) Foreign currency risk

The Company's major portion of revenue are billed in USD and translated to INR. The collections are realised for the same INR amount, thereby, the foreign currency risk is borne by the customer. A very small portion of its transactions are exposed to foreign currency with respect to the USD. Therefore no major foreign exchange risk is assessed to arise from future commercial transactions denominated in a currency that is not the Company's functional currency (INR). The risk is managed through a portfolio of highly probable foreign currency cash flows.

29 Capital management

Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company currently has no debt.



PSA SICAL TERMINALS LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

30 Related party transactions

(a) Parent entities

The Company is controlled by following entity:

Name of entity	Place of business	Ownership interest	
		March 31, 2023	March 31, 2022
PSA India Pte Limited, Singapore	Singapore	51.00%	51.00%
Sical Logistics Limited	India	37.50%	37.50%
Trigger Supply Private Limited	India	11.50%	11.50%

(b) Ultimate Holding Company

PSA International Pte Limited, Singapore

(c) Fellow subsidiaries

Bharath Kolkata Container Terminals Private Limited
 Bharat Mumbai Container Terminals Private Limited
 Chennai International Terminals Private Limited

(d) Key management personnel

Mr. C Deepkishore Reddy, Director
 Mr. J. Ratheesh Amirvin, Chief Financial Officer

(e) Transactions with related parties

The following transactions occurred with related parties:

Name of Entity	Nature of Payment	March 31, 2023	March 31, 2022
PSA International Pte Limited, Singapore	Expense incurred on behalf of the Company	0.23	0.25
Bharat Mumbai Container Terminals Private Limited	Expense incurred on behalf of the Company	0.10	0.16
Bharat Kolkata Container Terminals Pvt Ltd.,	Expense incurred on behalf of the Company	0.19	-
Chennai International Terminals Pvt Ltd.,	Expense incurred on behalf of the Company	0.08	-
C Deepkishore Reddy, Chief Financial Officer	Employee benefit expenses	-	4.32
J. Ratheesh Amirvin, Chief Financial Officer	Employee benefit expenses	2.47	0.82

(f) Transactions with related parties

The following transactions occurred with related parties:

Name of Entity	Nature of Income	March 31, 2023	March 31, 2022
PSA International Pte Limited, Singapore	Staff Innovation award and alongside award	0.03	0.03
Bharat Kolkata Container Terminals Private Limited	Reimbursement of manpower cost	0.39	0.10
Chennai International Terminals Private Limited	PSA alongside award	-	-

(g) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	March 31, 2023	March 31, 2022
Trade payable		
Chennai International Terminals Private Limited, Chennai	0.02	-
PSA India Pte Ltd, Singapore	316.00	-
Total payables to related parties	316.02	-
Trade Receivable		
Bharat Kolkata Container Terminals Private Limited	-	0.00
Total Receivable from related parties	-	0.00



31 Commitments and Contingent Liabilities

31 A Contingent liabilities	March 31, 2023	March 31, 2022
(i) Royalty related matters (Also refer note 3.1 and 3.3)		
Royalty	3,685.09	2,645.44
Interest	5,669.66	4,464.14
Penalty	143.91	123.11
(ii) Income tax related matters	387.37	387.37
(iii) GST related matters	1.63	1.63

a) The Company has assessed the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (11) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

b) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

c) The Company does not expect any reimbursements in respect of the above contingent liabilities.

31 B Capital commitment

As per the Build, Operate and Transfer (BOT) agreement with the Tuticorin Port Trust (TPT), the Company is due to replace the major container handling equipments by new container handling equipments at agreed specifications. The rail mounted quay cranes (QC) and rubber tyred gantry cranes (RTGC) are due for replacement between 17th to 20th year from the date when the asset is capable of being used for commercial operations.

As per the above obligation 2 QC and 4 RTGC was due for replacement in December 2019. The budget capital expenditure for the same would be INR 2,300 million.

The Company's adherence to this capital commitment is dependent on the outcome of litigation on discrimination matter set out in note 3.2.

31 C Other commitments	March 31, 2023	March 31, 2022
Outstanding bank guarantees (Also, refer Note 3.4)	10.00	630.19

32 Segment reporting

The Company has identified its board of directors as chief operating decision maker (CODM). They review the entire operations of the entity as one. Hence, the Company has only one operating segment which are all as reflected in the financial statements as at and for the years ended as stated. Also the Company's operation is only in India. Accordingly, the total segment revenue, total segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total capital expenditure during the year, total amount of charge of depreciation and amortization during the year are all as reflected in the financial statements as at and for the year ended March 31, 2023.

Information about revenue from major customers

Revenues of approximately INR 247 Million is derived from 3 external customers (March 31, 2022 – INR 233.69 million from 3 external customer).



PSA SICAL TERMINALS LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

33 Details of dues to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.03	0.22
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	-	-

Note: The above information regarding the dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of the information available with the Company.

34 Earnings per share**Basic earnings per share and Diluted earnings per share**

	March 31, 2023	March 31, 2022
Loss attributable to equity shareholders of the Company (A)	(11.81)	(1125.15)
Weighted average number of equity shares of INR. 10 each at the end of the year (B)	15,000,070	15,000,070
Basic earnings per share - in INR (A/B)	(5.83)	(208.40)

There is no dilution to the basic earnings per share as there are no dilutive potential equity shares.

35 Events occurring after the reporting period

Subsequent to the balance sheet date, on July 7, 2023, the final award was passed in favour of the Company in terms of majority view of the Arbitral Tribunal. Further, the Arbitral Tribunal directed that the interim order dated October 20, 2019, shall continue to be operative for a period of 3 months from the date of final arbitral Order. The Arbitral Tribunal also directed that the fixed deposits totalling to INR 620.19 million shall continue to be retained the bank for a period of 3 months from the date of final arbitral order.

No significant events other than those referred in note 3.1, 3.2 and 3.3 is to be reported between the closing date and that of the meeting of the Board of Directors.



PSA SICAL TERMINALS LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2023
(All amounts in INR Millions, unless otherwise stated)

36 Analytical Ratios

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variation	Reason for Variation
Current ratio (times)	Current assets	Current liabilities	0.05	0.17	-69%	Refer Note 36.1 below
Debt-equity ratio (times)	Total debt	Shareholders' equity	-	-	0%	Not applicable since the Company does not have any borrowings
Debt service coverage ratio	Earnings available for debt service	Debt service	-	-	0%	Not applicable since the Company does not have any borrowings
Return on equity ratio	Net profit after tax	Average shareholders' equity	2.96%	232.03%	-99%	Refer Note 36.1 below
Inventory turnover ratio (times)	Sales	Average Inventory	20.38	19.07	7%	Insignificant variance
Trade receivable turnover ratio (times)	Sales	Average Trade receivables	1,770.74	3,234.93	-45%	Refer Note 36.1 below
Trade payables turnover ratio (times)	Purchases	Average Trade payables	-	-	0%	Not applicable since the Company does not have any purchases
Net capital turnover ratio (times)	Sales	Average Working capital	(0.12)	(0.32)	-61%	Refer Note 36.1 below
Net profit ratio	Net profit after tax	Sales	-21.46%	-690.22%	-97%	Refer Note 36.1 below
Return on capital employed	Earnings before interest and tax	Capital employed	0	107.33%	-97%	Refer Note 36.1 below
Return on investment	Earnings before interest and tax	Total assets	(0)	-466.91%	-98%	Refer Note 36.1 below

36.1 During the previous year, the Company has accounted for Royalty expenditure amounting to INR 3,510.23 million for the period commencing from July 15, 2011 to February 28, 2019. Due to this provision, the Company had reported significant loss in the Statement of profit and loss for FY 2021-22 and this expenditure has resulted in significant variances in the above Analytical Ratios.



PSA SICAL TERMINALS LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

37 Trade receivables - Ageing Schedule

A. As at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	-	-	0.12	0.09	0.03	-	-	0.24
Considered doubtful	-	-	-	-	-	-	4.14	4.14

B. As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	-	0.16	0.01	0.05	-	-	-	0.22
Considered doubtful	-	-	-	-	-	-	4.14	4.14

38 Trade Payables - Aging Schedule

A. As at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i)MSME	-	-	0.03	-	-	-	0.03
(ii)Others	34.76	0.02	0.57	0.08	0.04	0.01	35.47

B. As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i)MSME	-	0.15	0.07	-	-	-	0.22
(ii)Others	22.54	1.99	0.16	0.03	0.02	-	24.74

39 Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.03	0.22
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-



PSA SICAL TERMINALS LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

40 Transfer pricing

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

- 41 The Company had prepared the financial statements for the year ended March 31, 2017, as per Division I to the Schedule III to the Companies Act, 2013 and in accordance with Companies (Accounting Standards) Rules, 2006. Pursuant to the requirement set out in the notification no. G.S.R. 111(E) dated February 16, 2015 read with G.S.R. 404(E) dated April 06, 2016 issued by the Ministry of Corporate Affairs ('MCA'), the Company should have prepared the financial statements for the year ended March 31, 2017, as per Division II to Schedule III and in accordance with Companies (Indian Accounting Standards) Rules, 2015 (as amended) as required by Section 129 of the Companies Act, 2013 for the year ended March 31, 2017.

Based on the Company's evaluation of provisions of Companies Act, 2013 for compliance under Section 131 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 relating to the financial statements preparation framework for the year ended March 31, 2017, the Company had given effect of the application of Ind AS from January 1, 2015. The Company has not received any correspondence from MCA / other statutory authorities in relation to the above said non-compliance till date. The management is of opinion that the impact of penalties / other related cost pursuant to the above said non-compliance will not be material to the financial statements of the Company.

42 Additional regulatory information

- (i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The Company does not have borrowings from banks and financial institutions on the basis of security of current assets.
- (iii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iv) Compliance with clause (B) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 with respect to layer of companies are not applicable to the Company.
- (v) The Company has not entered into any scheme of arrangement as per sections 230 to 237 of the Companies Act, 2013.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (viii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (x) The Company has not revalued its property, plant and equipment or intangible assets during the current or previous year.
- (xi) The Company does not own any immovable property during the year.
- (xii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of companies beyond the statutory period.
- (xiii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

42 Approval of financial statements

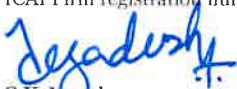
The financial statements has been approved by the Board of Directors in their meeting held on September 06, 2023

43 Previous year figures

Previous year figures are regrouped/ rearranged wherever necessary to conform to this current year's classification.

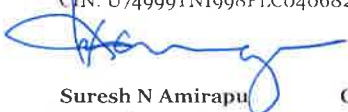
As per our report of even date

For J D S R & Associates
Chartered Accountants
ICAI Firm registration number: 022474S


S K Jegadesan
Partner
ICAI Membership Number : 220362

Place: Chennai
Date: September 06, 2023

For and on behalf of the Board of Directors of
PSA SICAL Terminals Limited
CIN: U74999TN1998PLC040682


Suresh N Amirapu
Director
DIN: 00792915


C. Deeptheshore Reddy
Director
DIN: 09442096

Place: Chennai
Date: September 06, 2023