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Ref No: APSEZL/SECT/2023-24/52

August 12, 2023

BSE Limited

Floor 25, P J Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 532921

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code: ADANI PORTS

Sub.: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Resignation of Statutory Auditor

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) read with the SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019, we wish to inform that based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held today noted and accepted the resignation of M/s Deloitte Haskins & Sells LLP, (FRN: 117366W/W-100018), Chartered Accountants, who have tendered their resignation vide their letters dated August 12, 2023, from the position of Statutory Auditors of the Company and its material subsidiaries for the reasons mentioned in their letter.

The copy of the resignation letters dated August 12, 2023 with annexure as received from M/s Deloitte Haskins & Sells LLP, (FRN: 117366W/W-100018), Chartered Accountants, Statutory Auditors are attached herewith.

The Board of Directors at its meeting held today also noted that there are no other reasons other than mentioned in the resignation letter received from the Statutory Auditors dated August 12, 2023.

The Audit Committee and Board at their respective meetings placed on record their appreciation to M/s Deloitte Haskins & Sells LLP, (FRN: 117366W/W-100018), Chartered Accountants.

Further, the Board of Directors have, based on the recommendation of the Audit Committee and subject to the shareholders' approval, approved the appointment of M/s. M S K A & Associates (FRN: 105047W) Chartered Accountants, (an independent member firm of BDO International), as the Statutory Auditors of the

Adani Ports and Special Economic Zone Ltd
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad - 382421
Gujarat, India
CIN: L63090GJ1998PLC034182

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Company, to fill the casual vacancy caused by the resignation of M/s Deloitte Haskins & Sells LLP, with effect from August 12, 2023 and to hold office till the date of next annual general meeting of the Company to be held in 2024, pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013.

Mr. G. K. Pillai, Chairman of Audit Committee of the Company stated the following:

QUOTE

"The Audit Committee/ Board is pleased to appoint M/s. M S K A & Associates (FRN: 105047W) Chartered Accountants, (an independent member firm of BDO International), a Top 6 global audit firm, as APSEZ's auditor.

Since May 2017, Deloitte has been Adani Ports and Special Economic Zone's (APSEZ) statutory auditor. In July 2022, APSEZ reappointed Deloitte as its statutory auditor for another term of five years. In Deloitte's recent meeting with APSEZ management and its Audit Committee, which, by policy, is comprised of and chaired by independent directors only (Mr. G. K. Pillai, Prof G. Raghuram, Mr. P. S. Jayakumar and Mrs. Nirupama Rao), Deloitte indicated a lack of a wider audit role as auditors of other listed Adani portfolio companies. The Audit Committee was of the view that the grounds advanced by Deloitte for resignation as Statutory Auditor were not convincing or sufficient to warrant such a move. It was also conveyed that it is not within the remit of the APSEZ and its Board to recommend group-wide appointments as other listed Adani portfolio companies are completely independent, with separate boards, executive teams and minority shareholders. Following this, Deloitte was not willing to continue as APSEZ's statutory auditor and, therefore, it was agreed to amicably end the client-auditor contractual relationship between APSEZ and Deloitte.

It is important to mention that, in response to a query by the Audit Committee, Deloitte confirmed that they have received all the APSEZ information from the management of the Company. The same has been confirmed by Deloitte in their resignation letter dated August 12, 2023 to the Company.

The 'Other Matters' highlighted in the auditor's resignation are adequately disclosed and addressed in our FY23 financial statements. We are fully confident that these matters will be appropriately resolved in our September '23 filing."

UNQUOTE

Adani Ports and Special Economic Zone Ltd
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Details with respect to resignation / change in Auditors of the Company as required under Regulation 30 read with Schedule III of the Listing Regulations, SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 and CIR/CFD/CMD1/114/2019 dated October 18, 2019 are annexed herewith.

The meeting commenced at 6.30 p.m. and concluded at 8.15 p.m.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For Adani Ports and Special Economic Zone Limited

**Kamlesh Bhagia
Company Secretary**

Encl: Resignation Letters from Statutory Auditors

Adani Ports and Special Economic Zone Ltd
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Details with respect to change in Auditors of the Company as required under Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Resignation of Statutory Auditors:

Sr. No.	Particular	Details
1	Name of Company	<p>Company: Adani Ports and Special Economic Zone Limited</p> <p>Material Subsidiaries: a) Adani Logistics Limited b) Adani Hazira Port Limited c) Adani Krishnapatnam Port Limited d) The Dhamra Port Company Limited e) Adani Gangavaram Port Limited f) The Adani Harbour Services Limited</p>
2	Name of Auditor	Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018)
3	Reason for Change viz., Appointment, Resignation, Removal, Death or otherwise.	Please refer to their letters dated August 12, 2023 attached herewith.
4	Effective date of resignation	August 12, 2023
5	Brief profile	Not Applicable
7	Disclosure of relationship between director (In case of appointment of director)	Not Applicable

Appointment of Statutory Auditors:

Sr. No.	Particular	Details
1	Name of Company	<p>Company: Adani Ports and Special Economic Zone Limited</p> <p>Material Subsidiaries: a) Adani Logistics Limited b) Adani Hazira Port Limited c) Adani Krishnapatnam Port Limited d) The Dhamra Port Company Limited e) Adani Gangavaram Port Limited f) The Adani Harbour Services Limited</p>
2	Name of Auditor	M S K A & Associates, Chartered Accounts (an independent member firm of BDO International)
3	Reason for Change viz., Appointment, Resignation, Removal, Death or otherwise.	Appointment to fill casual vacancy caused due to the resignation of M/s. Deloitte Haskins & Sells LLP, Chartered Accountant to hold office from August 12, 2023 till the date of next annual general meeting to be held in 2024
4	Effective date of appointment	August 12, 2023
5	Brief profile	<p>M/s M S K A & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W)</p> <p>Established in 1978, M S K A & Associates is an Indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI) and the US Public Company Accountancy Oversight Board (PCAOB) having offices across 11 cities in India at Mumbai, Gurugram, Chandigarh, Kolkata, Ahmedabad, Chennai, Goa, Pune, Bengaluru, Kochi and Hyderabad. The audit firm has a valid peer review certificate.</p>



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		The Firm primarily provides audit and assurance services, tax and advisory services, to its clients. The Firm's Audit and Assurance practice has significant experience across various industries, markets and geographies.
6	Disclosure of relationships between director (In case of appointment of director)	Not Applicable

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Registered Office: Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382421, Gujarat, India

August 12, 2023

To

The Audit Committee
Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram
Near Vaishnodevi Circle, S.G. Highway,
Ahmedabad - 382421

Dear Sirs,

Subject: Resignation as Statutory Auditor of Adani Ports and Special Economic Zone Limited ("the Company")

We had been appointed as statutory auditors of the Company to hold office from the conclusion of 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company, i.e., for a period of 5 years commencing from financial year April 1, 2022 to financial year ending March 31, 2027.

As discussed, we are tendering our resignation as statutory auditors of the Company with immediate effect because we are not statutory auditors of a substantial number of Other Adani Group of companies (as referred to under "Other Matters" in the audit and limited review reports dated May 30, 2023 and August 8, 2023, for the year ended March 31, 2023 and quarter ended June 30, 2023 respectively), including an Adani Group company (and its subsidiaries) after completion of our term of five years.

We thank you for the cooperation and courtesies extended to us during our term as statutory auditors of the Company.

Please find attached in Annexure A the information to be obtained by the Company from the auditors for the resignation as required by SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.

Yours sincerely,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Kartikey
a Raval
Digitally signed
by Kartikeya
Raval
Date: 2023.08.12
16:23:45 +05'30'

Kartikeya Raval
Partner
(Membership No.106189)



Annexure A

Format of information to be obtained from the statutory auditor upon resignation¹

1	Name of the listed entity/material subsidiary	Adani Ports and Special Economic Zone Limited (referred to as "the Company")
2	Details of the statutory auditor:	
a	Name	Deloitte Haskins & Sells LLP
b	Address	19 th Floor, Shapath-V S.G. Highway Ahmedabad-380015 Gujarat, India
c	Phone number	+91 79 66827300
d	Email	www.ah@deloitte.com
3	Details of association with the listed entity/material subsidiary:	See below
a	Date on which the statutory auditor was appointed	23 rd Annual General Meeting held on July 26, 2022
b	Date on which the term of the statutory auditor was scheduled to expire	Conclusion of 28 th Annual General Meeting
c	Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission	Audit of the standalone and consolidated financial statements for the year ended March 31, 2023, vide audit report dated May 30, 2023 and limited review of the unaudited standalone and consolidated financial results for the quarter ended June 30, 2023 vide our review report dated August 8, 2023. Refer Appendix I for the Independent Auditor's Report on the standalone and consolidated financial statements of the Company for the year ended March 31, 2023 and Appendix II for the limited review report on the unaudited standalone and consolidated financial results for the quarter ended June 30, 2023.
4	Detailed reasons for resignation	Refer our resignation letter dated August 12, 2023.
5	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of	None

¹ This Annexure A forms part of the letter of resignation as statutory auditors dated August 12, 2023 from Deloitte Haskins & Sells LLP (FRN 117366W/W-100018) to Adani Ports and Special Economic Zone Limited



	Directors along with the date of communication made to the Audit Committee/Board of Directors)	
6	In case the information requested by the auditor was not provided, then following shall be disclosed:	None
a	Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or circumstances beyond the control of the management	
b	Whether the lack of information would have significant impact on the financial statements/results	
c	Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)	
d	Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued	
7	Any other facts relevant to the resignation:	None

Declaration

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for the resignation of my firm.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikey
a Raval

Digitally signed by
Kartikeya Raval
Date: 2023.08.12
16:24:39 +05'30'

Kartikeya Raval
Partner
Membership No: 106189



Date: August 12, 2023
Place: Mumbai

Enclosures:

Appendix I: Independent Auditor's Report on the audited standalone and consolidated financial statements for the year ended and as at March 31, 2023.

Appendix II: Limited review report on unaudited standalone and consolidated financial results for the period ended June 30, 2023

INDEPENDENT AUDITOR'S REPORT
**To The Members of Adani Ports and Special Economic Zone Limited
 Report on the Audit of the Standalone Financial Statements**
Qualified Opinion

We have audited the accompanying standalone financial statements of **Adani Ports and Special Economic Zone Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

The Company has entered into Engineering, Procurement and Construction (EPC) purchase contracts substantially with a fellow subsidiary ("Contractor") of a party identified in the allegations made in the Short Seller Report. As at March 31, 2023, a net balance of Rs. 2,457.05 crores is recoverable from this Contractor, of which Rs. 713.63 crores relate to security deposits paid to the Contractor and Rs. 1,501.50 crores in respect of capital advances. The security deposits carry an interest of approximately 8% per annum and are refundable by the Contractor either on completion or termination of the project against which the security deposit was given by the Company. Security deposits totalling Rs. 713.63 crores have been given prior to April 1, 2022, of which security deposits amounting to Rs. 253.63 crores relate to projects which have not commenced as at March 31, 2023. The Company has represented to us that the Contractor is not a related party.

Additionally, there were financing transactions (including equity) with/by certain other parties identified in the allegations made in the Short Seller Report, which the Company has represented to us were not related parties. As at March 31, 2023, all receivable and payable amounts were settled including interest and there were no outstanding balances.

Subsequent to the year end, the Company re-negotiated the terms of sale of its container terminal under construction in Myanmar (held through a subsidiary audited by other auditors) with Solar Energy Limited, a company incorporated in Anguilla. The Company has represented to us that the buyer is not a related party. The carrying amount of the assets (classified as held for sale) was Rs. 1,752.92 crores. The sale consideration was revised from Rs. 2,015 crores (USD 260 million) to Rs. 246.51 crores (USD 30 million), which has been received, and an impairment loss of Rs. 1,558.16 crores has been recognised as an expense in the Statement of Profit and Loss.



Deloitte Haskins & Sells LLP

The Company has represented to us that there is no effect of the allegations made in the Short Seller Report on the standalone financial statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The Company did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the Company, as stated in Note 46 to the standalone financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an independent external examination by the Company and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 46 to the standalone financial statements, by the Securities and Exchange Board of India of these allegations, and in respect of the sale of asset described in the immediately preceding paragraph, we are unable to comment whether these transactions or any other transactions may result in possible adjustments and/or disclosures in the standalone financial statements in respect of related parties, and whether the Company should have complied with the applicable laws and regulations.

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 Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. Except for the matters described in the Basis for Qualified Opinion section above, we believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 44 of the standalone financial statements, which describes the matter relating to delay in achievement of scheduled commercial operation date ("COD" i.e., December 03, 2019, as stipulated under the concession agreement) of the international deep-water multipurpose seaport being constructed by Adani Vizhinjam Port Private Limited ("AVPPL") at Vizhinjam, Kerala (the "Project"). The matter has been referred to arbitration proceedings by AVPPL to resolve disputes relating to force majeure events and failure of the Authority of the concession to fulfil its obligations under the concession agreement, which AVPPL contends, contributed to the delay in achieving COD.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Additionally, the matter below in respect of the Short Seller Report has been reported in the Basis for Qualified Opinion section of our report. We have determined the matter described below to be the key audit matter to be communicated in our report.



Sr. No.	Key Audit Matter Description	Auditor's Response
1	<p>Short Seller Report ("the Report") (Refer to Basis for Qualified Opinion section above)</p> <p>In January 2023, there was a Report containing allegations relating to the Adani group of companies. The Report alleged that transactions with certain parties named in the Report were not appropriately identified and reported as related parties, which were not in compliance with applicable laws and regulations.</p> <p>The Company had purchases, sale of services and financing transactions (including equity) with/by certain parties including those identified in the allegations made in the Report.</p> <p>The allegations in the Report are under investigation by the Securities and Exchange Board of India in accordance with the direction and monitoring of Hon'ble Supreme Court of India.</p>	<p><u>Principal audit procedures performed</u></p> <ul style="list-style-type: none"> • We inquired with the Company on their approach to assess these allegations to ascertain whether there is any effect on the standalone financial statements. • We requested the Company to initiate an independent external examination of these allegations to determine whether these allegations may have any possible effect on the standalone financial statements of the Company. The Company represented to us that these allegations have no effect on the standalone financial statements of the Company, based on the evaluation it performed and because of the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India, did not consider it necessary to initiate an independent external examination. • We evaluated the assessment performed by the Company, as described in Note 46 to the standalone financial statements and have read the memorandum prepared by an external law firm which the Company considered in its assessment, to determine whether these allegations have any possible effect on the standalone financial statements of the Company. The assessment by the Company did not constitute sufficient appropriate audit evidence for the purposes of our audit. • In the absence of an independent external examination by the Company and because of insufficient appropriate audit evidence described immediately above, we have performed alternative audit procedures in respect of these allegations including consideration of information relating to the



		<p>ownership and association of the parties identified in the Report to the extent publicly available.</p> <ul style="list-style-type: none"> • We also evaluated the design of the internal controls in respect of allegations made on the Company.
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Information Other than the Financial Statements and Auditor’s Report Thereon

- The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon.
- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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. As described in the Basis for Qualified Opinion section above, in the absence of an independent external examination by the Company and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon’ble Supreme Court of India as described in Note 46 to the standalone financial statements, by the Securities and Exchange Board of India of these allegations and in respect of sale of assets, we are unable to comment whether transactions stated in Basis for Qualified Opinion section above, or any other transactions may result in possible adjustments and/or disclosures in the standalone financial statements in respect of related parties, and whether the Company should have complied with the relevant laws and regulations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.



Deloitte Haskins & Sells LLP

In preparing the standalone 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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.



Deloitte Haskins & Sells LLP

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our audit does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Company during the year.

Our opinion on the standalone financial statements and our report on the Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and except for the matters described in Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.



- d) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Basis for Qualified Opinion section above, in our opinion, 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) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section and in paragraph (b) above.
- h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements for the reasons stated therein.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 33 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 43(a) to the standalone 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 person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the



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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 it's knowledge and belief, as disclosed in the note 43(b) to the standalone financial statements no funds have been received by the Company from any person or entity, 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 the audit procedures that has been considered reasonable and appropriate in the circumstances, except for the possible effects of the matters described in the Basis for Qualified Opinion section above, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in Note 52(iii) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



Kartikaya Raval

Kartikaya Raval
Partner

(Membership No. 106189)
(UDIN: 23106189BGVORL6331)

Place: Ahmedabad
Date: May 30, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Adani Ports and Special Economic Zone Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to standalone financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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.

Except for the matter described in the Basis for Qualified Opinion section below, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to standalone financial statements.



Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone 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 standalone 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 standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2023:

The Company did not have an appropriate internal control system in respect of conducting an external examination of allegations made on the Company, including on related party relationships, which could potentially result in possible adjustments / disclosures of related party relationships, balances and transactions in the standalone financial statements and compliance with applicable laws and regulations.

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us except for the possible effects of the material weakness described in Basis for Qualified Opinion section above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2023, based on the internal control with reference to standalone financial statements 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.



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We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2023, and we have issued a qualified opinion on the said standalone financial statements of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner

(Membership No. 106189)
(UDIN: 23106189BGVORL6331)

Place: Ahmedabad
Date: May 30, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

- (i) (a)
- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work in progress and relevant details of right-of-use assets.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the property, plant and equipment, capital work-in-progress, and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment, capital work-in-progress, and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant and equipment and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

(Rs. in crores)

Description of property	Gross carrying value in the standalone financial statements	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Reclaimed land located at the South and West Port admeasuring 1093.53 Hectares	180.18	NA	NA	NA	The said land pertains to reclaimed land at the Mundra Port for which land allotment is being processed by



					Government of Gujarat (GOG). (Refer note 3(a)(viii) of standalone financial statements)
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- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets of the Company. In accordance with the information and explanation given to us, no quarterly returns or statements were filed by the Company till the date of this report.
- (iii) Except for the possible effects of the matter relating to security deposits given to the Contractor described in our Basis for Qualified Opinion section in our audit report on the standalone financial statements, during the year, the Company has not given any advances in nature of loans but has made investments in, provided guarantee, granted unsecured loans to companies and provided security during the year, in respect of which:
- (a) The Company has provided loans, stood guarantee and provided security during the year and details of which are given below:

(Rs. in crores)

Particulars	Loans	Guarantees	Security [^]
A. Aggregate amount granted / provided during the year: #			
- Subsidiaries	11,322.12	7,466.65	--
- Joint Ventures	--	410.85	--
- Others	18,840.38	--	--
B. Balance outstanding as at balance sheet date: **			
- Subsidiaries	22,244.54	9,734.85	1038.37**



Particulars	Loans	Guarantees	Security [^]
- Joint Ventures	300.33	4,511.54	32.57 [@]
- Others	1,569.62	--	--

* The amounts reported are at gross amounts, without considering provisions made.

Includes amounts invested in Perpetual Debts of the subsidiaries.

** Against the security provided, the outstanding loans as at March 31, 2023 is Rs. 165.00 crores.

@ Against the security provided, the outstanding loans as at March 31, 2023 is Rs. 550.78 crores.

^ It represents the carrying value of securities created in the books of account as at March 31, 2023. It only includes the securities given for the borrowings of other entities and does not include the value of subservient charge.

(b) Except for possible effect of the matters described in our Basis for Qualified Opinion section in our audit report on the standalone financial statements, the investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c)

(i) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations except for the following:

(Rs. in crores)

Name of the entity	Nature	Amount	Due date	Extent of delay (In days)	Remarks, if any
Adani Krishnapatnam Port Limited	Interest received	12.68	January 01, 2022	177	
Adani Murmugao Port Terminal Private Limited	Interest received	29.87	March 31, 2022	Upto 90 days	Delayed Interest received on various dates in multiple tranches.
Adani Murmugao Port Terminal Private Limited	Interest accrued	29.61	March 31, 2023	1	



Name of the entity	Nature	Amount	Due date	Extent of delay (In days)	Remarks, if any
Komal Infotech Private Limited	Interest accrued	1.78	March 19, 2019	1474	As at Balance Sheet date, the amount has been provided for.
Adani Kandla Bulk Terminal Private Limited	Interest accrued	43.79	March 31, 2021	731	As at Balance Sheet date, the amount has been written off.
		57.44	March 31, 2022	366	

- (ii) In respect of loans granted in the nature of Perpetual Debt, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii)(f) below).
- (iii) The Company has granted loans payable on demand. During the year, the Company has not demanded such loans. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular. (Refer reporting under clause (iii)(f) below).
- (d) The following loans granted by the Company in earlier financial years, which have been overdue for more than 90 days as at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the principal amount and interest:

(Rs. in crores)

No. of cases	Principal amount overdue	Interest overdue	Total overdue	Remarks, if any
1	-	1.78	1.78	As at Balance Sheet date, the amount has been provided for.
2	-	101.23	101.23	The amount has been written off during the year.

- (e) No loans granted by the Company which have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. For the purpose of this reporting, renewal, extension or fresh loan granted after it becomes overdue has only be considered.



- (f) During the year, the Company has granted loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:

(Rs. in Crores)

Particulars	All Parties (including related parties)	Subsidiaries
Aggregate of loans		
- Repayable on demand (A)	20.00	-
- Agreement does not specify any terms or period of repayment (B) #	5,152.09	5,152.09
Total (A+B)	5,172.09	5,152.09
Percentage of total loans outstanding	21.45%	21.37%

- # Perpetual debt, classified under the note of Investments in the standalone financial statements, has been considered as loans without repayment terms for the purpose of above reporting.
- (iv) Except for the possible effects of the matters described in the Basis for Qualified Opinion section in our audit report on the standalone financial statements, in our opinion and according to the information and explanations given to us, and considering the legal opinion taken by the Company on applicability of section 185 of the Companies Act, 2013, in respect of certain loan transactions which are in the ordinary course of business, the Company has complied with the provisions of the Section 185 of the Companies Act, 2013 in respect of grant of loans and providing guarantees and securities, as applicable.
- Further, based on the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, to the extent applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.



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(vii) According to the information and explanations given to us, in respect of statutory dues:

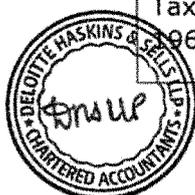
(a) The Company has generally been regular in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

(Rs. in crores)

Name of Statute	Nature of Dues	Amount	Period to which the Amount Relates	Forum where Dispute is Pending
Customs Act, 1962	Custom Duty	2.00	June, 2008	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
		0.14*	July, 2003	Assistant Commissioner of Customs, Mundra
Finance Act, 1994	Service Tax	6.71#	December, 2004 to March, 2006	Supreme Court
		173.63	April, 2004 to September, 2011	High Court of Gujarat
		0.61	September, 2009 to March, 2010	Commissioner of Service Tax, Ahmedabad
		500.34	April, 2011 to March, 2017	Commissioner/ Additional Commissioner of Service Tax, Ahmedabad
		6.72	April, 2004 to August, 2009	High Court of Gujarat
		0.17	April, 2009 to March, 2011	Commissioner of Service Tax, Ahmedabad
Income Tax Act, 1961	Income Tax	82.23	AY 2012-13 to AY 2016-17	Income Tax Appellate Tribunal



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Name of Statute	Nature of Dues	Amount	Period to which the Amount Relates	Forum where Dispute is Pending
		0.00\$	AY 2017-18 to AY 2018-19	Commissioner of Income Tax (Appeal)

*Net off Rs. 0.05 crores paid as deposit.

#Net off Rs. 4.50 crores paid as deposit.

\$Net off Rs. 24.00 crores paid under protest.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)

(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures.

(x)

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.



(xi)

- (a) To the best of our knowledge, except for the possible effects of the matters described in the Basis for Qualified Opinion section in report on the standalone financial statements, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year. We have taken into consideration the Short Seller Report referred to in our Basis for Qualified Opinion section in our audit report on the standalone financial statements while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) Except for the possible effects of the matters described in the Basis for Qualified Opinion section of our audit report on the standalone financial statements, in our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv)

- (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit observations of the Company presented to the Audit Committee on quarterly basis, for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi)

- (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.



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- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner

(Membership No. 106189)
(UDIN: 23106189BGVORL6331)

Place: Ahmedabad
Date: May 30, 2023

INDEPENDENT AUDITOR'S REPORT To The Members of Adani Ports and Special Economic Zone Limited Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Adani Ports and Special Economic Zone Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries and joint ventures referred to in the Other Matters section below, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

The Group has entered into Engineering, Procurement and Construction (EPC) purchase contracts substantially with a fellow subsidiary ("Contractor") of a party identified in the allegations made in the Short Seller Report. As at March 31, 2023, a net balance of Rs. 3,749.65 crore is recoverable from this contractor, of which Rs. 2,036.63 crore relate to security deposits paid to the contractor and Rs. 1,680.23 crore in respect of capital advances. The security deposits carry an interest of approximately 8% per annum and are refundable by the Contractor either on completion or termination of the project against which the security deposit was given by the Group. Security deposits totalling Rs. 1,075.63 crore have been given prior to April 1, 2022, of which security deposits amounting to Rs. 253.63 crore relate to projects which have not commenced as at March 31, 2023. The Group has represented to us that the contractor is not a related party.

Additionally, there were financing transactions (including equity) with/by certain other parties identified in the allegations made in the Short Seller Report, which the Group has represented to us were not related parties. As at March 31, 2023, all receivable and payable amounts were settled including interest and there were no outstanding balances.



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Subsequent to the year end, the Group re-negotiated the terms of sale of its container terminal under construction in Myanmar (held through a subsidiary audited by other auditors) with Solar Energy Limited, a company incorporated in Anguilla. The Group has represented to us that the buyer is not a related party. The carrying amount of the net assets (classified as held for sale) was Rs. 1,518.15 crore. The sale consideration was revised from Rs. 2,015 crore (USD 260 million) to Rs. 246.51 crore (USD 30 million), which has been received, and an impairment loss of Rs. 1,273.38 crore has been recognised as an expense in the consolidated Statement of Profit and Loss.

The Group has represented to us that there is no effect of the allegations made in the Short Seller Report on the consolidated financial statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The Group did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the Group, as stated in Note 57 to the consolidated financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an independent external examination by the Group and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 57 to the consolidated financial Statement, by the Securities and Exchange Board of India of these allegations, and in respect of the sale of asset described in the immediately preceding paragraph, we are unable to comment whether these transactions or any other transactions may result in possible adjustments and/or disclosures in the consolidated financial statements in respect of related parties, and whether the Group should have complied with the applicable laws and regulations.

We conducted our audit of the consolidated financial statements 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 Responsibility for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. Except for the matters described in the Basis for Qualified Opinion section above, we believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 46 of the consolidated financial statements, which describes the matter relating to delay in achievement of scheduled commercial operation date ("COD" i.e., December 03, 2019, as stipulated under the concession agreement) of the international deep-water multipurpose seaport being constructed by Adani Vizhinjam Port Private Limited ("AVPPL") at Vizhinjam, Kerala (the "Project"). The matter has been referred to arbitration proceedings by AVPPL to resolve disputes relating to force majeure events and failure of the Authority of the concession to fulfil its obligations under the concession agreement, which AVPPL contends, contributed to the delay in achieving COD.



Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Additionally, the matter below in respect of the Short Seller Report has been reported in the Basis for Qualified Opinion section of our report. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter Description	Auditor's Response
1	<p>Short Seller Report ("the Report") (Refer to Basis for Qualified Opinion section above)</p> <p>In January 2023, there was a Report containing allegations relating to the Adani group of companies. The Report alleged that transactions with certain parties named in the Report were not appropriately identified and reported as related parties, which were not in compliance with applicable laws and regulations.</p> <p>The Group had purchases, sale of services and financing transactions (including equity) with/by certain parties including those identified in the allegations made in the Report.</p> <p>The allegations in the Report are under investigation by the Securities and Exchange Board of India in accordance with the direction and monitoring of Hon'ble Supreme Court of India.</p>	<p>Principal audit procedures performed</p> <ul style="list-style-type: none"> • We inquired with the Group on their approach to assess these allegations to ascertain whether there is any effect on the consolidated financial statements • We requested the Group to initiate an independent external examination of these allegations to determine whether these allegations may have any possible effect on the consolidated financial statements. The Group represented to us that these allegations have no effect on the consolidated financial statements, based on the evaluation it performed and because of the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India, did not consider it necessary to initiate an independent external examination • We evaluated the assessment performed by the Group, as described in Note 57 to the consolidated financial statements and have read the memorandum prepared by an external law firm which the Parent considered in its assessment, to determine whether these allegations have any possible effect on the consolidated financial statements. The assessment by the Group did not constitute sufficient appropriate audit evidence for the purposes of our audit • In the absence of an independent external examination by the Group and because of insufficient appropriate audit evidence described immediately above,



		<p>we have performed alternative audit procedures in respect of these allegations including consideration of information relating to the ownership and association of the parties identified in the Report to the extent publicly available. We also evaluated the design of the internal controls in respect of allegations made on the Group.</p>
2	<p>Hedge Accounting – Refer to Note 50 and 34.3 to the consolidated financial statements</p> <p>From the current financial year, the Group, in line with its updated Risk Management policy, has implemented Hedge Accounting, an accounting policy choice under Ind-AS, by designating the highly probable forecast revenues as hedge item and non-derivative foreign currency financial liabilities of equivalent amount as hedging instrument under Cash Flow Hedge relationship for hedging its foreign currency risk.</p> <p>Due to accounting judgements involved in applying the principles of hedge accounting and degree of subjectivity in evaluating a hedge to be effective, these transactions may have a significant financial effect on recognition of foreign exchange gain/losses and have extensive accounting and reporting obligations, accordingly this is considered as a key audit matter.</p>	<p>Principal audit procedures performed</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group’s overall hedging strategy and risk management policy with respect to hedging foreign exchange risks. • We evaluated the design and implementation of the processes and internal controls relating to hedge accounting, including the management’s documentation of the hedge effectiveness. We also assessed the Group’s accounting policy of hedge accounting in accordance with Ind AS. • We assessed the reasonability of management’s estimates with respect to highly probable forecasted revenue considered as the hedged item. • We involved our internal specialists in the assessment of the appropriateness of the model used for evaluating hedge effectiveness and its relevant accounting. • We assessed the appropriateness of disclosures relating to hedge accounting in the consolidated financial statements.
3	<p>Business Combinations – Gangavaram Port</p> <p>Refer to Note 39(i)(1) to the consolidated financial statements</p> <p>During the current financial year, the Group has acquired controlling stake of Gangavaram Port Limited for a consideration of Rs. 6,204.62 Crore through a scheme of merger approved in National Company Law Tribunal. The Group accounted for</p>	<p>Principal audit procedures performed</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of internal controls over the allocation of purchase price to assets acquired and liabilities assumed. • We evaluated the competencies, capabilities and objectivity of the independent valuers engaged by the Group’s management for allocation of purchase price to identified tangible and intangible assets acquired and liabilities assumed.



<p>the acquisitions under the acquisition method of accounting for business combinations. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their fair values on the acquisition date.</p> <p>The determination of such fair values for the purpose of purchase price allocation was considered to be a key focus area of our audit as the allocation of the purchase consideration based on fair values of assets acquired and liabilities assumed involves judgments and estimates such as appropriateness of the valuation methodology applied and the discount rates applied to future cash flow forecasts.</p>	<ul style="list-style-type: none"> • With the assistance of our fair value specialists, we evaluated (1) the appropriateness of the valuation methodologies for identified intangibles (2) reasonableness of the key valuation assumptions viz. discount rate / contributory asset charge, as applicable including testing of the source information underlying the determination of the discount rate, (3) testing the mathematical accuracy of the calculation, (4) developing a range of independent estimates and (5) comparing those to the discount rate selected by independent valuers and relied upon by the management. • Assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements in compliance with the requirements of Ind AS 103: "Business Combinations".
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Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent'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 consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures, is traced from their financial statements audited by the other auditors.
- 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. As described in the Basis for Qualified Opinion section above, in the absence of an independent external examination by the Group and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 57 to the consolidated financial statements, by the Securities and Exchange Board of India of these allegations and in respect of sale of assets, we are unable to comment whether transactions stated in Basis for Qualified Opinion section above, or any other transactions may result in possible adjustments and/or disclosures in the consolidated financial statements in respect of related parties, and whether the Group should have complied with the relevant laws and regulations. Accordingly, we are unable to



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conclude whether or not the other information is materially misstated with respect to these matters.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibility for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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



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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 financial 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 Parent Company has adequate internal financial controls with reference to consolidated 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 the 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 ability of the Group and its joint ventures 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 consolidated 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 Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters



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in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our audit does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Group during the year.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

- (b) We did not audit the financial statements of 85 subsidiaries, whose financial statements reflect total assets of Rs 48,694.98 Crores as at March 31, 2023, total revenues of Rs. 4,382.67 Crores and net cash outflows amounting to Rs. 109.71 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 10.08 Crores for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 17 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

- (c) We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of Rs. 0.16 Crores as at March 31, 2023, total revenues of Rs. Nil and net cash inflows amounting to Rs. 0.15 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 3.42 Crores for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 2 joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such unaudited financial



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statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and except for the matters described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) The matter described in the Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the Group.
 - f) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of subsidiary companies, and joint venture companies incorporated in India, none of the directors of the Group companies and its joint venture companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section and in the paragraph (b) above.



h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls,

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refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, and joint venture companies incorporated in India. Our report expresses a qualified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies, for the reasons stated therein.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
- In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies and joint venture companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies and joint venture companies to their directors during the year is in accordance with the provisions of section 197 of the Act.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures - Refer Note 36 to the consolidated financial statements;
- ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 33 to the consolidated financial statements.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.
- iv) (a) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the note 54 to the consolidated 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 Parent or any of such subsidiaries and joint ventures to or in any other person(s) or entity(ies), 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 Parent or any of such subsidiaries and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the note 54 to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries



and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and joint ventures 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 the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

The Board of Directors of the Parent and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiary, at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiaries, and joint ventures which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following :-



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Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Adani Ports And Special Economic Zone Limited	L63090GJ1998PLC034182	Parent	Clause (iii)(b) ;(iii)(c), Clause (iv), Clause (xi)(a); (xi)(c), Clause (xiii)
The Adani Harbour Services Limited	U61100GJ2009FLC095953	Subsidiary	Clause (iii)(b), (iii)(c) ; Clause (iv), Clause (xi)(a); (xi)(c), Clause (xiii)
Adani Hazira Port Limited	U45209GJ2009PLC058789	Subsidiary	Clause (iii)(c), Clause (iv), Clause (xi)(a); (xi)(c), Clause (xiii)
Adani Murmugao Port Terminal Private Limited	U61100GJ2009PTC057727	Subsidiary	Clause (ix)(a)
Adani Kandla Bulk Terminal Private Limited	U63090GJ2012PTC069305	Subsidiary	Clause (ix)(a)
Savi Jana Sea Foods Private Limited	U24299TG1988PTC082278	Subsidiary	Clause (xvi)
The Dhamra Port Company Limited	U45205OR1998PLC005448	Subsidiary	Clause (iv), Clause (xi)(a); (xi)(c), Clause (xiii)
Marine Infrastructure Developer Private Limited	U74999TN2016PTC103769	Subsidiary	Clause (xi)(a); (xi)(c), Clause (xiii)
Adani Krishnapatnam Port Limited	U45203GJ1996PLC128239	Subsidiary	Clause(xi)(a); (xi)(c), Clause (xiii)
Adani Gangavaram Port Limited	U61100GJ2021PLC124091	Subsidiary	Clause(xi)(a); (xi)(c), Clause (xiii)
Adani Petronet (Dahej) Port Limited	U63012GJ2003PLC041919	Subsidiary	Clause (xi)(c)
Adani Logistics Limited	U63090GJ2005PLC046419	Subsidiary	Clause (xi)(c)
Adani International Container Terminal Private Limited	U61200GJ2011PTC065095	Joint Venture	Clause (xi)(c)



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Adani CMA Mundra Terminal Private Limited	U61200GJ2014PTC080300	Joint Venture	Clause (xi)(c)
Dhamra LNG Terminal Private Limited	U11200GJ2015PTC081996	Joint Venture	Clause(xi)(a);(xi)(c), Clause (xii)
IndianOil Adani Ventures Limited	U23200MH1996PLC102222	Joint Venture	Clause (iii)(c)

In respect of the following companies included in the consolidated financial statements, whose audit under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those companies are not available and consequently have not been provided to us as on the date of this audit report:

Name of the company	CIN	Nature of relationship
HM Agri Logistics Limited	U52102GJ2023PLC138915	Wholly Owned Subsidiary
PU Agri Logistics Limited	U52102GJ2023PLC138863	Wholly Owned Subsidiary
BU Agri Logistics Limited	U52102GJ2023PLC139054	Wholly Owned Subsidiary
Dighi Roha Rail Limited	U74140DL2015PLC285745	Joint Venture

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 23106189BGVORM4146)

Place: Ahmedabad

Date: May 30, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Parent as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **Adani Ports and Special Economic Zone Limited** (hereinafter referred to as "Parent") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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.



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Except for the matter described in the Basis for Qualified Opinion section below, we believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated 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 consolidated 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 consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2023:

The Group did not have an appropriate internal control system in respect of conducting an external examination of allegations made on the Group, including on related party relationships, which could potentially result in possible adjustments/disclosures of related party relationships, balances and transactions in the consolidated financial statements and compliance with applicable laws and regulations.

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



Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below except for the possible effects of the material weakness described in Basis for Qualified Opinion section above on the achievement of the objectives of the control criteria, the Parent and its subsidiary companies and joint ventures which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements as of March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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, were operating effectively as of March 31, 2023.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Parent for the year ended March 31, 2023, and we have issued a qualified opinion on the said consolidated financial statements of the Parent.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 71 subsidiary companies and 13 joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval

(Partner)

(Membership No. 106189)

(UDIN: 23106189BGVORM4146)

Place: Ahmedabad

Date: May 30, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED** ("the Company"), for the quarter ended June 30, 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33, Regulation 52 and Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33, Regulation 52 and Regulation 54 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Company has entered into Engineering, Procurement and Construction (EPC) purchase contracts substantially with a fellow subsidiary (contractor) of a party identified in the allegations made in the Short Seller Report published in January 2023 ("Short Seller Report"). As at June 30, 2023, a net balance of Rs. 2,509.42 crore (Rs. 2,457.05 crore as at March 31, 2023) is recoverable from this contractor, of which Rs. 713.63 crore (Rs. 713.63 crore as at March 31, 2023) relate to security deposits paid to the contractor and Rs. 1,501.50 crore (Rs. 1,501.50 crore as at March 31, 2023) in respect of capital advances. The security deposits carry an interest of approximately 8% per annum and are refundable by the contractor either on completion or termination of the project against which the security deposit was given by the Company. Security deposits totalling Rs. 713.63 crore have been given prior to April 1, 2023, of which security deposits amounting to Rs. 253.63 crore (Rs. 253.63 crore as at March 31, 2023) relate to projects which have not commenced as at June 30, 2023. The Company has represented to us that the contractor is not a related party.



In prior periods, there were financing transactions (including equity) with / by certain other parties identified in the allegations made in the Short Seller Report, which the Company has represented to us were not related parties. As at June 30, 2023, all such receivable and payable amounts were settled including interest and there were no outstanding balances.

In May 2023, the Company re-negotiated the terms of sale of its container terminal under construction in Myanmar (held through a subsidiary audited by other auditors) with Solar Energy Limited, a company incorporated in Anguilla. The Company has represented to us that the buyer is not a related party. The carrying amount of the net assets (classified as held for sale in the previous year) was Rs. 1,752.92 crore. The sale consideration which was revised from Rs. 2,015 crore (USD 260 million) to Rs. 246.51 crore (USD 30 million) has been received during the quarter. Impairment loss of Rs. 1,558.16 crore had been recognised as an expense in the Profit & Loss Account for the quarter and year ended March 31, 2023.

The Company has represented to us that there is no effect of the allegations made in the Short Seller Report on the Statement based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The Company did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the Company, as stated in Note 8 to the Statement, does not constitute sufficient appropriate evidence for the purposes of our review/audit. In the absence of an independent external examination by the Company and pending completion of investigation (including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 8 to the Statement) by the Securities and Exchange Board of India of these allegations, and in respect of the sale of asset described in the immediately preceding paragraph, we are unable to comment whether these transactions or any other transactions may result in possible adjustments and/or disclosures in any of the periods presented in the Statement in respect of related parties, and whether the Company should have complied with the applicable laws and regulations.

Our report on the standalone financial results for the quarter and year ended March 31, 2023 was also qualified in respect of the aforesaid matters.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and matter related to review of Adani group entities in paragraph 7 below, except for the effects / possible effects of the matters described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33, Regulation 52 and Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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6. We draw attention to Note 5 of the Statement, which describes the matter relating to delay in achievement of scheduled commercial operation date ("COD" i.e., December 03, 2019, as stipulated under the concession agreement) of the international deep-water multipurpose seaport being constructed by Adani Vizhinjam Port Private Limited ("AVPPL") at Vizhinjam, Kerala (the "Project"). The matter has been referred to arbitration proceedings by AVPPL to resolve disputes relating to force majeure events and failure of the Authority of the concession to fulfil its obligations under the concession agreement, which AVPPL contends, contributed to the delay in achieving COD.

Our conclusion on the Statement is not modified in respect of this matter.

7. We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our review does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Company during the period.

Our conclusion on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval

Kartikeya Raval
Partner

(Membership No. 106189)
UDIN: 23106189BGVOUN7814



Place: Ahmedabad
Date: August 8, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income / loss of its joint ventures for the quarter ended June 30, 2023 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33, Regulation 52 and Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33, Regulation 52 and Regulation 54 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the Parent, subsidiaries and joint ventures as given in the Annexure to this report.
5. The Group has entered into Engineering, Procurement and Construction (EPC) purchase contracts substantially with a fellow subsidiary (contractor) of a party identified in the allegations made in the Short Seller Report published in January 2023 ("Short Seller Report"). As at June 30, 2023, a net balance of Rs. 3,871.94 crore (Rs. 3,749.65 crore as at March 31, 2023) is recoverable from this contractor, of which Rs. 2,036.63 crore (Rs. 2,036.63 crore as at March 31, 2023) relate to security deposits paid to the contractor and Rs. 1,698.02 crore (Rs. 1,680.23 crore as at March 31, 2023) in respect of capital advances. The security



deposits carry an interest of approximately 8% per annum and are refundable by the contractor either on completion or termination of the project against which the security deposit was given by the Company. Security deposits totaling Rs. 2,036.63 crore have been given prior to April 1, 2023, of which security deposits amounting to Rs. 913.63 crore (Rs. 253.63 crore as at March 31, 2023) relate to projects which have not commenced as at June 30, 2023. The Group has represented to us that the contractor is not a related party.

In prior periods, there were financing transactions (including equity) with / by certain other parties identified in the allegations made in the Short Seller Report, which the Group has represented to us were not related parties. As at March 31, 2023, all such receivable and payable amounts were settled including interest and there were no outstanding balances.

In May 2023, the Group re-negotiated the terms of sale of its container terminal under construction in Myanmar (held through a subsidiary audited by other auditors) with Solar Energy Limited, a company incorporated in Anguilla. The Group has represented to us that the buyer is not a related party. The carrying amount of the net assets (classified as held for sale in the previous year) was Rs. 1,518.15 crore. The sale consideration which was revised from Rs. 2,015 crore (USD 260 million) to Rs. 246.51 crore (USD 30 million) has been received during the quarter. Impairment loss of Rs. 1,273.38 crore had been recognised as an expense in the Profit & Loss Account for the quarter and year ended March 31, 2023.

The Group has represented to us that there is no effect of the allegations made in the Short Seller Report on the Statement based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The Group did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the Group, as stated in Note 9 to the Statement, does not constitute sufficient appropriate evidence for the purposes of our review/audit. In the absence of an independent external examination by the Group and pending completion of investigation (including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 9 to the Statement) by the Securities and Exchange Board of India of these allegations, and in respect of the sale of asset described in the immediately preceding paragraph, we are unable to comment whether these transactions or any other transactions may result in possible adjustments and/or disclosures in any of the periods presented in the Statement in respect of related parties, and whether the Group should have complied with the applicable laws and regulations.

Our report on the consolidated financial results for the quarter and year ended March 31, 2023 was also qualified in respect of the aforesaid matters.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 9 and matter related to review of Adani group entities in paragraph 8 below, except for the effects / possible effects of the matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of



Regulation 33, Regulation 52 and Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We draw attention to Note 6 of the Statement, which describes the matter relating to delay in achievement of scheduled commercial operation date ("COD" i.e., December 03, 2019, as stipulated under the concession agreement) of the international deep-water multipurpose seaport being constructed by Adani Vizhinjam Port Private Limited ("AVPPL") at Vizhinjam, Kerala (the "Project"). The matter has been referred to arbitration proceedings by AVPPL to resolve disputes relating to force majeure events and failure of the Authority of the concession to fulfil its obligations under the concession agreement, which AVPPL contends, contributed to the delay in achieving COD.

Our conclusion on the Statement is not modified in respect of this matter.

8. We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our review does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Group during the period.

Our conclusion on the Statement is not modified in respect of this matter.

9. We did not review the interim financial results of 25 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 1,573.98 crore for the quarter ended June 30, 2023, total net profit after tax of Rs. 147.36 crore for the quarter ended June 30, 2023 and total comprehensive income of Rs. 158.10 crore for the quarter ended June 30, 2023 as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Certain of these subsidiaries are located outside India whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments, if any, made by the Parent's management. Our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our conclusion on the Statement is not modified in respect of this matter.



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10. The consolidated unaudited financial results includes the interim financial results of 66 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 223.99 crore for the quarter ended June 30, 2023, total profit after tax of Rs. 15.85 crore for the quarter ended June 30, 2023 and total comprehensive income of Rs. 16.12 crore for the quarter ended June 30, 2023 as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 0.22 crore for the quarter ended June 30, 2023 and total comprehensive loss of Rs. 0.21 crore for the quarter ended June 30, 2023 respectively, as considered in the Statement, in respect of 19 joint ventures, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner

(Membership No. 106189)
UDIN: 23106189BGVOU01587

Place: Ahmedabad
Date: August 8, 2023

Annexure to the Independent Auditor's Review Report

Sr. No.	Name of Entities
A	Parent
1.	Adani Ports and Special Economic Zone Limited
B	Subsidiaries
1.	Abbot Point Operations Pty Limited
2.	Abbot Point Bulkcoal Pty Limited
3.	Coastal International Terminals Pte Limited (upto May 31, 2023)
4.	The Dhamra Port Company Limited
5.	The Adani Harbour Services Limited
6.	Adani Vizhinjam Port Private Limited
7.	Adani Hazira Port Limited
8.	Adani Petronet (Dahej) Port Limited
9.	Adani Kattupalli Port Limited
10.	Adani Murmugao Port Terminal Private Limited
11.	Adani Kandla Bulk Terminal Private Limited
12.	Adani Ennore Container Terminal Private Limited
13.	Adani Logistics Limited
14.	Adani Hospitals Mundra Private Limited
15.	Adani Vizag Coal Terminal Private Limited
16.	Hazira Infrastructure Limited
17.	Adani Warehousing Services Private Limited
18.	Dholera Infrastructure Private Limited
19.	Dholera Port and Special Economic Zone Limited
20.	Madurai Infrastructure Private Limited
21.	Karnavati Aviation Private Limited
22.	Mundra International Airport Private Limited
23.	Mundra SEZ Textile and Apparel Park Private Limited
24.	Shanti Sagar International Dredging Limited
25.	Adani Ports Technologies Private Limited
26.	Adinath Polyfills Private Limited
27.	Marine Infrastructure Developer Private Limited
28.	Mundra Crude Oil Terminal Private Limited
29.	Blue Star Realtors Limited
30.	Anchor Port Holding Pte Limited
31.	Pearl Port Pte. Limited
32.	Noble Port Pte. Limited
33.	Adani Yangon International Terminal Company Limited (upto May 31, 2023)
34.	Dermot Infracon Private Limited
35.	Dhamra Infrastructure Private Limited
36.	Adani Agri Logistics Limited
37.	Adani Agri Logistics (MP) Limited
38.	Adani Agri Logistics (Harda) Limited
39.	Adani Agri Logistics (Hoshangabad) Limited
40.	Adani Agri Logistics (Satna) Limited
41.	Adani Agri Logistics (Ujjain) Limited



Sr. No.	Name of Entities
42.	Adani Agri Logistics (Dewas) Limited
43.	Adani Agri Logistics (Katihar) Limited
44.	Adani Agri Logistics (Kotkapura) Limited
45.	Adani Agri Logistics (Kannauj) Limited
46.	Adani Agri Logistics (Panipat) Limited
47.	Adani Agri Logistics (Raman) Limited
48.	Adani Agri Logistics (Nakodar) Limited
49.	Adani Agri Logistics (Barnala) Limited
50.	Adani Bulk Terminals (Mundra) Limited (Formerly known as Adani Agri Logistics (Bathinda) Limited)
51.	Adani Agri Logistics (Mansa) Limited
52.	Adani Agri Logistics (Moga) Limited
53.	Adani Warehousing Limited
54.	Adani Agri Logistics (Dahod) Limited
55.	Adani Agri Logistics (Dhamora) Limited
56.	Adani Agri Logistics (Samastipur) Limited
57.	Adani Agri Logistics (Darbhanga) Limited
58.	Adani Logistics Services Private Limited
59.	Adani Noble Private Limited
60.	Adani Forwarding Agent Private Limited
61.	Adani Container Manufacturing Limited (Formerly known as Adani Cargo Logistics Limited)
62.	Adani Logistics Infrastructure Private Limited
63.	Adani Container Terminal Limited
64.	Adani Bangladesh Ports Private Limited
65.	Adani Krishnapatnam Port Limited
66.	Adani Krishnapatnam Container Terminal Private Limited
67.	Aqua Desilting Private Limited
68.	Dighi Port Limited
69.	Sulochana Pedestal Private Limited
70.	NRC Limited
71.	Shankheshwar Buildwell Private Limited
72.	AYN Logistics Infra Private Limited
73.	Adani International Ports Holdings Pte Limited
74.	Adani Gangavaram Port Limited
75.	Colombo West International Terminal (Private) Limited
76.	Adani Tracks Management Services Limited (Formerly known as Adani Tracks Management Services Private Limited)
77.	HDC Bulk Terminal Limited
78.	Seabird Distriparks (Krishnapatnam) Private Limited
79.	Mundra Solar Technopark Private Limited
80.	Savi Jana Sea Foods Private Limited (w.e.f May 10, 2022)
81.	Ocean Sparkle Limited (w.e.f May 10, 2022)
82.	Sparkle Terminal and Towage Services Limited (w.e.f May 10, 2022)
83.	Sea Sparkle Harbour Services Limited (w.e.f May 10, 2022)
84.	Sparkle Port Services Limited (w.e.f May 10, 2022)
85.	Sparkle Overseas Pte. Limited (w.e.f May 10, 2022)
86.	Saptati Build Estate Private Limited (w.e.f May 04, 2022)
87.	Adani Aviation Fuels Limited (w.e.f. September 29, 2022)



Sr. No.	Name of Entities
88.	Mundra LPG Terminal Private Limited (w.e.f April 30, 2022)
89.	Gangavaram Port Services (India) Private Limited
90.	Tajpur Sagar Port Limited (w.e.f October 21, 2022)
91.	Mediterranean International Ports A.D.G.D Limited (w.e.f November 13, 2022)
92.	Adani Agri Logistics (Sandila) Limited (w.e.f November 18, 2022)
93.	Adani Agri Logistics (Gonda) Limited (w.e.f November 22, 2022)
94.	Adani Agri Logistics (Chandari) Limited (w.e.f November 21, 2022)
95.	Adani Agri Logistics Katihar Two Limited (w.e.f November 21, 2022)
96.	The Adani Harbour International DMCC (w.e.f December 22, 2022)
97.	Port Harbour Services International Pte. Limited (w.e.f. February 01, 2023)
98.	Haifa Port Company Limited (w.e.f January 10, 2023)
99.	HM Agri Logistics Limited (w.e.f February 28, 2023)
100.	PU Agri Logistics Limited (w.e.f February 25, 2023)
101.	BU Agri Logistics Limited (w.e.f March 11, 2023)
102.	Karaikal Port Private Limited (w.e.f April 04, 2023)
C	Joint Ventures
1.	Adani KP Agriwarehousing Private Limited
2.	Adani International Container Terminal Private Limited
3.	Adani CMA Mundra Terminal Private Limited
4.	Adani Total Private Limited
5.	Dhamra LNG Terminal Private Limited
6.	Adani NYK Auto Logistics Solutions Private Limited
7.	Dighi Roha Rail Limited
8.	EZR Technologies Private Limited
9.	Khimji Sparkle Marine Services Co. SOAC (w.e.f May 10, 2022)
10.	Indianoil Adani Ventures Limited (Formerly known as Indian Oiltanking Limited (IOTL)) (w.e.f. February 01, 2023)
11.	IOT Utkarsh Limited (w.e.f February 01, 2023)
12.	IAV Engineering Projects Limited (w.e.f. February 01, 2023)
13.	IAV Engineering & Construction Services Limited (w.e.f. February 01, 2023)
14.	IOT Infrastructures Private Limited (w.e.f February 01, 2023)
15.	IOT Biogas Private Limited (w.e.f February 01, 2023)
16.	Kazakhstan Caspishelf India Private Limited (w.e.f. February 01, 2023)
17.	IOT Utkal Energy Services Limited (w.e.f February 01, 2023)
18.	Zuari Indian Oiltanking Private Limited (w.e.f February 01, 2023)
19.	Katoen Natie IOT Private Limited (w.e.f. February 01, 2023)
20.	IOT Vito Muhendislik Insaat ve Taahhut AS (w.e.f. February 01, 2023)
21.	Indian Oiltanking Engineering and Construction Services LLC (w.e.f. February 01, 2023)
22.	PT IOT EPC Indonesia (w.e.f February 01, 2023)
23.	JSC Kazakhstan Caspishelf (w.e.f February 01, 2023)



August 12, 2023

To

The Board of Directors
Adani Logistics Limited
Adani Corporate House, Shantigram
Near Vaishnodevi Circle, S.G. Highway,
Ahmedabad - 382421

Dear Sirs,

Subject: Resignation as Statutory Auditor of Adani Logistics Limited ("the Company")

We had been appointed as statutory auditors of the Company to hold office from the conclusion of 17th Annual General Meeting till the conclusion of the 22nd Annual General Meeting of the Company, i.e., for a period of 5 years commencing from financial year April 1, 2022 to financial year ending March 31, 2027. The Company is a material subsidiary of Adani Ports and Special Economic Zone Limited ("the Holding Company").

As discussed, we are tendering our resignation as statutory auditors of the Company with immediate effect, since we are no longer the statutory auditors of the Holding Company and because we are not statutory auditors of a substantial number of Other Adani Group of companies (as referred to under "Other Matters" in the audit report dated May 30, 2023, for the year ended March 31, 2023), including an Adani Group company (and its subsidiaries) after completion of our term of five years.

We thank you for the cooperation and courtesies extended to us during our term as statutory auditors of the Company.

Please find attached in Annexure A the information to be obtained by the Company from the auditors for the resignation as required by SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.

Yours sincerely,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Digitally signed
by Kartikeya
Raval
a Raval Date: 2023.08.12
19:24:23 +05'30'

Kartikeya Raval
Partner
(Membership No.106189)



Annexure A

Format of information to be obtained from the statutory auditor upon resignation¹

1	Name of the listed entity/material subsidiary	Adani Logistics Limited (referred to as "the Company")
2	Details of the statutory auditor:	
a	Name	Deloitte Haskins & Sells LLP
b	Address	19 th Floor, Shapath-V S.G. Highway Ahmedabad-380015 Gujarat, India
c	Phone number	+91 79 66827300
d	Email	adani@deloitte.com
3	Details of association with the listed entity/material subsidiary:	See below
a	Date on which the statutory auditor was appointed	17 th Annual General Meeting held on July 25, 2022
b	Date on which the term of the statutory auditor was scheduled to expire	Conclusion of 22 nd Annual General Meeting
c	Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission	Audit of the financial statements for the year ended March 31, 2023, vide audit report dated May 30, 2023. Refer Appendix I for the Independent Auditor's Report on the financial statements of the Company for the year ended March 31, 2023.
4	Detailed reasons for resignation	Refer our resignation letter dated August 12, 2023.
5	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)	None
6	In case the information requested by the auditor was not provided, then following shall be disclosed:	None
a	Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or	

¹ This Annexure A forms part of the letter of resignation as statutory auditors dated August 12, 2023 from Deloitte Haskins & Sells LLP (FRN 117366W/W-100018) to Adani Logistics Limited



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	circumstances beyond the control of the management	
b	Whether the lack of information would have significant impact on the financial statements/results	
c	Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)	
d	Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued	
7	Any other facts relevant to the resignation:	None

Declaration

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for the resignation of my firm.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Digitally signed
by Kartikeya Raval
Date: 2023.08.12
19:25:09 +05'30'



Kartikeya Raval
Partner
Membership No: 106189

Date: August 12, 2023
Place: Mumbai

Enclosures:

Appendix I: Independent Auditor's Report on the audited financial statements for the year ended and as at March 31, 2023.

INDEPENDENT AUDITOR'S REPORT
**To The Members of Adani Logistics Limited
Report on the Audit of the Financial Statements**
Opinion

We have audited the accompanying financial statements of **Adani Logistics Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements 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 Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information other than Financial Statements and Auditor's Report Thereon

- 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 during the course of our 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 the fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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 the financial statements.

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

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



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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Other Matter

We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our audit does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Company during the year.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of 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 Cash Flows and Statement of Changes



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in Equity dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) 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.
- f) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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, as amended 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 - Refer Note 34 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 43(a) 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 person or entity, 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 it's knowledge and belief, as disclosed in the note 43(b) to the financial statements no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding,



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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 the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



Place: Ahmedabad
Date: May 30, 2023

Kartikaya Raval
Kartikaya Raval
Partner
(Membership No. 106189)
(UDIN: 23106189BGVORR6299)

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Adani Logistics 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls 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 criteria for internal financial control with reference to financial statements 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



Place: Ahmedabad
Date: May 30, 2023

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 23106189BGVORR6299)

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF ADANI LOGISTICS LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work in Progress and relevant details of Right of use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment, Capital Work in Progress and Right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, Capital Work in Progress and right-of-use assets at reasonable intervals having regard to size of the Company and the nature of its activities. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

[₹ in Lacs]

Relevant line items in the Balance sheet	Description of item of property	Gross Carrying Value	Title deeds held in name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter or director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Free hold land	28.00	Amaranatha	No	29.11.2017	1. Company has purchased land though Agreement to Sale (ATS) and General Power of Attorney (GPA) from farmers which was
		35.00	Anjinappa M	No	28.08.2018	
		6.59	Arasappa	No	13.06.2017	
		28.13	Byanna	No	15.05.2017	
		28.13	C Narayanappa	No	15.05.2017	
		199.19	Cheemasandra Siddappa Jay	No	31.08.2018	



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Relevant line items in the Balance sheet	Description of item of property	Gross Carrying Value	Title deeds held in name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter or director	Property held since which date	Reason for not being held in the name of the Company
		5.16	Donneppa	No	13.06.2017	allotted to farmers from government. 2.No objection certificate is Required from Local Government (Karnataka) to do the sale deed in favor of Company, which is still in progress.
		2.00	Gowramma	No	19.04.2018	
		19.50	Jayaram D	No	05.09.2017	
		0.01	Krishnamurthy	No	17.05.2017	
		16.41	Krishnamurthy	No	17.05.2017	
		4.33	Krishnappa	No	13.06.2017	
		69.50	Muniraju V	No	19.04.2018	
		6.52	Muniyappa K	No	17.05.2017	
		10.00	Murugesh	No	21.04.2018	
		6.33	Rajappa	No	13.06.2017	
		6.39	Shankarappa	No	13.06.2017	
		35.00	Sonnegowda Dm	No	30.12.2017	
		19.50	Srinivasa	No	05.09.2017	
		5.83	Suresha M	No	13.06.2017	
TOTAL		531.52				

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 2988 (As amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature



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of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time during the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has not provided guarantee or security or advances in nature of loans, secured or unsecured to the Companies, firms, Limited Liability partnership or any other parties during the year. The Company has made investment and provided loans during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

[₹ in Lacs]	
Particulars	Loans
A. Aggregate amount granted / provided during the year:	
- Subsidiaries *	345,118.24
- Joint Ventures	888.00
- Others	300.00
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries *	560,672.15
- Joint Ventures	8.00
- Others	300.00

*Includes amount invested in Perpetual Debts of the investees.

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) (i) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(ii) In respect of loans granted in the nature of Perpetual Debt, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii)(f) below).

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date. In respect of loan granted to third party as per the terms of the agreement, the loan



amount will be realized on disposal of underlying financial assets in which such loan will be invested by the borrower.

- (e) None of the loans granted by the Company have fallen due during the year.
- (f) During the year, the Company has granted Loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:

[₹ in Lacs]

Particulars	All Parties (Including Related parties)	Related Parties
Aggregate of loans		
- Repayable on demand (A)	-	-
- Agreement does not specify any terms or period of repayment (B)*	326,927.62	326,927.62
Total (A+B)	326,927.62	326,927.62
Percentage of total loans outstanding	58.28%	58.28%

*Perpetual debt, classified under the note of Investments in the financial statements, has been considered as loans without repayment terms for the purpose of above reporting.

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for road related services. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues of Provident Fund, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities. We



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have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount in Lacs	Period to which the amount relates	Forum where Dispute is pending
Income Tax Act, 1961	Income Tax	438.07	AY 2020-21	CIT(A), Ahmedabad
Finance Act, 1994	Service Tax	2,275.09	April 2009 to September 2013	The Customs, Excise and Service Tax Appellate Tribunal, Chandigarh
		524.59	October 2013 to March 2014	
		1,267.21	April 2014 to March 2015	
		754.68	April 2015 to March 2016	Commissioner of Goods and Service Tax, Panchkula
		2,635.76	April 2016 to June 2017	Commissioner of Goods and Service Tax, Gurugram
		0.66	April 2014 to June 2017	Commissioner of Goods and Service Tax, Gurugram

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

(d) On an overall examination of the financial statements of the Company, there are no funds raised on short-term basis and hence, reporting under clause (ix)(d) of the Order is not applicable.



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(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures companies.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year. We have taken into consideration the Short Seller Report referred in note 47 to the financial statements, while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause (xiii) of the Order in so far as it relates to Section 177 of the Act is not applicable.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit observations of the Company presented to the Board of Directors, for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



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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. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



Place: Ahmedabad
Date: May 30, 2023

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 23106189BGVORR6299)

August 12, 2023

To
The Board of Directors
Adani Hazira Port Limited
Adani Corporate House, Shantigram
Near Vaishnodevi Circle, S.G. Highway,
Ahmedabad - 382421

Dear Sirs,

Subject: Resignation as Statutory Auditor of Adani Hazira Port Limited ("the Company")

We had been appointed as statutory auditors of the Company to hold office from the conclusion of 13th Annual General Meeting till the conclusion of the 18th Annual General Meeting of the Company, i.e., for a period of 5 years commencing from financial year April 1, 2022 to financial year ending March 31, 2027. The Company is a material subsidiary of Adani Ports and Special Economic Zone Limited ("the Holding Company").

As discussed, we are tendering our resignation as statutory auditors of the Company with immediate effect, since we are no longer the statutory auditors of the Holding Company and because we are not statutory auditors of a substantial number of Other Adani Group of companies (as referred to under "Other Matters" in the audit report dated May 30, 2023, for the year ended March 31, 2023), including an Adani Group company (and its subsidiaries) after completion of our term of five years.

We thank you for the cooperation and courtesies extended to us during our term as statutory auditors of the Company.

Please find attached in Annexure A the information to be obtained by the Company from the auditors for the resignation as required by SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.

Yours sincerely,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Kartikey
a Raval

Digitally signed by
Kartikeya Raval
Date: 2023.08.12
19:28:47 +05'30'

Kartikeya Raval
Partner
(Membership No.106189)



Annexure A

Format of information to be obtained from the statutory auditor upon resignation¹

1	Name of the listed entity/material subsidiary	Adani Hazira Port Limited (referred to as "the Company")
2	Details of the statutory auditor:	
a	Name	Deloitte Haskins & Sells LLP
b	Address	19 th Floor, Shapath-V S.G. Highway Ahmedabad-380015 Gujarat, India
c	Phone number	+91 79 66827300
d	Email	asia@deloitte.com
3	Details of association with the listed entity/material subsidiary:	See below
a	Date on which the statutory auditor was appointed	13 th Annual General Meeting held on July 25, 2022
b	Date on which the term of the statutory auditor was scheduled to expire	Conclusion of 18 th Annual General Meeting
c	Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission	Audit for the year ended March 31, 2023, vide audit report dated May 30, 2023. Refer Appendix I for the Independent Auditor's Report on the financial statements of the Company for the year ended March 31, 2023.
4	Detailed reasons for resignation	Refer our resignation letter dated August 12, 2023.
5	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)	None
6	In case the information requested by the auditor was not provided, then following shall be disclosed:	None
a	Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or	

¹ This Annexure A forms part of the letter of resignation as statutory auditors dated August 12, 2023 from Deloitte Haskins & Sells LLP (FRN 117366W/W-100018) to Adani Hazira Port Limited



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	circumstances beyond the control of the management	
b	Whether the lack of information would have significant impact on the financial statements/results	
c	Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)	
d	Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued	
7	Any other facts relevant to the resignation:	None

Declaration

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for the resignation of my firm.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Digitally signed by
Kartikeya Raval
Date: 2023.08.12
19:29:29 +05'30'

Kartikeya Raval
Partner
Membership No: 106189



Date: August 12, 2023
Place: Mumbai

Enclosures:

Appendix I: Independent Auditor's Report on the audited financial statements for the year ended and as at March 31, 2023.

Deloitte Haskins & Sells LLP

Chartered Accountants
19th floor, Shapath-V
S.G. Highway
Ahmedabad-380 015
Gujarat, India

INDEPENDENT AUDITOR'S REPORT

Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

To The Members of Adani Hazira Port Limited (Formerly known as "Adani Hazira Port Private Limited")

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Adani Hazira Port Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

The Company has entered into Engineering, Procurement and Construction (EPC) purchase contracts substantially with a fellow subsidiary ("Contractor") of a party identified in the allegations made in the Short Seller Report. As at March 31, 2023, a net balance of Rs. 543 crores is recoverable from this Contractor, of which Rs. 562 crores relate to security deposits paid to the Contractor. The security deposits carry an interest of approximately 8% per annum and are refundable by the Contractor either on completion or termination of the project against which the security deposit was given by the Company. Security deposits totalling Rs. 202 crores have been given prior to April 01, 2022. The Company has represented to us that the Contractor is not a related party.

Additionally, there were financing transactions with/by certain other parties identified in the allegations made in the Short Seller Report, which the Company has represented to us were not related parties. As at March 31, 2023, all receivable and payable amounts were settled including interest and there were no outstanding balances.

The Company has represented to us that there is no effect of the allegations made in the Short Seller Report on the financial statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The Company did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the Company, as stated in Note 41 to the financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an



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independent external examination by the Company and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 41 to the financial statements, by the Securities and Exchange Board of India of these allegations, we are unable to comment whether these transactions or any other transactions may result in possible adjustments and/or disclosures in these financial statements in respect of related parties, and whether the Company should have complied with the applicable laws and regulations.

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 Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. Except for the matters described in the Basis for Qualified Opinion section above, we believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors 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 during the course of our 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. As described in the Basis for Qualified Opinion section above, in the absence of an independent external examination by the Company and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 41 to the financial statements, by the Securities and Exchange Board of India of these allegations, we are unable to comment whether transaction stated in Basis for Qualified Opinion section above, or any other transactions may result in possible adjustments and/or disclosures in the financial statements in respect of related parties, and whether the Company should have complied with the relevant laws and regulations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance



with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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.

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Other Matter

We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our audit does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Company during the year.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and except for the matter described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- d) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Basis for Qualified Opinion section above, in our opinion, 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) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section above and in paragraph (b) above.
- h) 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 A". Our report expresses qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements for the reasons stated therein.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 36 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 38(iii) 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 person or entity, 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



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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 it's knowledge and belief, as disclosed in the note 38(iv) to the financial statements, no funds have been received by the Company from any person or entity, 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 the audit procedures that has been considered reasonable and appropriate in the circumstances, except for the possible effects of the matters described in the Basis for Qualified Opinion section above, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval

(Partner)

(Membership No. 106189)

(UDIN: 23106189BGVORP3972)

Place: Ahmedabad

Date: May 30, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Adani Hazira Port 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

Except for the matter described in the Basis for Qualified Opinion section below, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

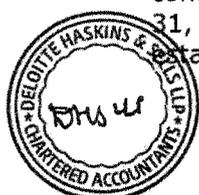
According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2023:

The Company did not have an appropriate internal control system in respect of conducting an external examination of allegations made on the Company, including on related party relationships, which could potentially result in possible adjustments/disclosures of related party relationships, balances and transactions in the financial statements and compliance with applicable laws and regulations.

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in Basis for Qualified Opinion section above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control



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stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2023, and we have issued a qualified opinion on the said financial statements of the Company.

For **Deloitte Haskins & sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval

(Partner)

(Membership No. 106189)

(UDIN: 23106189BGVORP3972)

Place: Ahmedabad

Date: May 30, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

- (i)
 - (a)
 - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work in Progress and relevant details of Right of use assets.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - (b) Some of the Property, Plant and Equipment, Capital Work in Progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, Capital Work in Progress and right-of-use assets at reasonable intervals having regard to size of the Company and the nature of its activities. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:-

Description of property	Gross Carrying value in the financial statements (Amount In Lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Reclaimed Land measuring 230 Hectares	2,466.38	NA	NA	NA	The said land pertains to Reclaimed Land at Hazira Port for which land allotment is being



Description of property	Gross Carrying value in the financial statements (Amount In Lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
					processed by Government of Gujarat (GOG). (Refer note 3(a)(vii) of the financial statements)

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

(a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) Except for the possible effects of the matter relating to security deposits given to the contractor described in our Basis for Qualified Opinion section in our audit report on the financial statements, during the year, the Company has not given any advances in nature of loans and not provided any guarantee or security to any other entity but has made investments in, granted unsecured loans to companies and other parties during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

(Amount in Lacs)

Particulars	Loans
A. Aggregate amount granted / provided during the year:	
- Parent Company	262,379.69
- Subsidiaries	552.00



Particulars	Loans
- Others	87,853.00
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Parent Company	137,688.08
- Subsidiaries	-
- Others	25,033.44

- (b) Except for the possible effects of the matters described in our Basis for Qualified Opinion section in our audit report on the financial statements, the investments made and the terms and conditions of the grant of all the above-mentioned loans during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipt of principal amounts and interest are regular as per stipulation except for the following:

Name of the entity	Nature	Amount (Rs. in Lacs)	Due Date	Extent of Delay	Remarks
Hazira Infrastructure Private Limited	Interest (Opening Interest Accrued)	80.00	31-03-22	135	
Hazira Infrastructure Private Limited	Interest (Opening Interest Accrued)	4,703.81	31-03-22	273	
Adani Kandla Bulk Terminal Private Limited	Interest (Opening Interest Accrued)	1,350.00	30-04-22	336	

- (d) The following loans granted by the Company in earlier financial years, which have been overdue for more than 90 days as at the balance sheet date, have been written off along with interest accrued during the current year, In absence of any possibility of recovery, the Management has taken reasonable steps for recovery of the principal amount and interest:

(Amounts in Lacs)

No. of Cases	Principal amount overdue	Interest Overdue	Total Overdue	Remarks if any
1	Nil	1,350	1,350	The amount has been written off during the year.



- (e) No loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties. For the purpose of this reporting, renewal or extension or fresh loan granted after it becomes overdue has only been considered.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loan which is either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) Except for the possible effects of the matters described in the Basis for Qualified Opinion section in our audit report on the financial statements, in our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, to the extent applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public to which the directives issued by the Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues of Provident Fund, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:



Name of the Statute	Nature of the dues	Amount (Rs.in Lacs)	Period to which amount relates	Forum where Dispute is pending	Remark if any
Income Tax Act, 1961	Income Tax	23.13*	AY 2016-17	Commissioner of Income Tax (Appeals)	
		9.64*	AY 2017-18	Assistant Commissioner of Income Tax	
		3.91*	AY 2018-19	Income Tax Appellate Tribunal (ITAT)	
		2,311.52	AY 2021-22	Commissioner of Income Tax (Appeals)	

* Adjusted against the refund of the subsequent years.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)

- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year and hence, reporting under clause (ix)(e) of the order is not applicable.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

(x)

- (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or



optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi)

(a) To the best of our knowledge, except for the possible effects of the matter described in the Basis for Qualified Opinion section in our audit report on the financial statements, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year. We have taken into consideration the Short Seller Report referred to in our Basis for Qualified Opinion section in our audit report on the financial statements while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) Except for the possible effects of the matters described in the Basis for Qualified Opinion section of our audit report on the financial statements, in our opinion, the Company is in compliance with section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause (xiii) of the Order in so far as it relates to Section 177 of the Act is not applicable.

(xiv)

(a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit observations of the Company presented to the Board of Directors on quarterly basis, for the period under audit.

(xv) In our opinion and according to the information and explanation given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.



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- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
(Partner)

(Membership No. 106189)
(UDIN: 23106189BGVORP3972)

Place: Ahmedabad
Date: May 30, 2023

August 12, 2023

To

The Audit Committee
Adani Krishnapatnam Port Limited
Adani Corporate House, Shantigram
Near Vaishnodevi Circle, S.G. Highway,
Ahmedabad - 382421

Dear Sirs,

**Subject: Resignation as Statutory Auditor of Adani Krishnapatnam Port Limited
("the Company")**

We had been appointed as statutory auditors of the Company to hold office from the conclusion of 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company, i.e., for a period of 5 years commencing from financial year April 1, 2022 to financial year ending March 31, 2027. The Company is a material subsidiary of Adani Ports and Special Economic Zone Limited ("the Holding Company").

As discussed, we are tendering our resignation as statutory auditors of the Company with immediate effect, since we are no longer the statutory auditors of the Holding Company and because we are not statutory auditors of a substantial number of Other Adani Group of companies (as referred to under "Other Matters" in the audit report dated May 30, 2023, for the year ended March 31, 2023), including an Adani Group company (and its subsidiaries) after completion of our term of five years.

We thank you for the cooperation and courtesies extended to us during our term as statutory auditors of the Company.

Please find attached in Annexure A the information to be obtained by the Company from the auditors for the resignation as required by SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.

Yours sincerely,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Kartikeya Digitally signed
by Kartikeya
Raval
a Raval Date: 2023.08.12
19:31:28 +05'30'

Kartikeya Raval
Partner
(Membership No.106189)

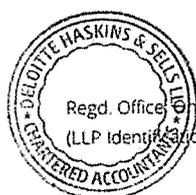


Annexure A

Format of information to be obtained from the statutory auditor upon resignation¹

1	Name of the listed entity/material subsidiary	Adani Krishnapatnam Port Limited (referred to as "the Company")
2	Details of the statutory auditor:	
a	Name	Deloitte Haskins & Sells LLP
b	Address	19 th Floor, Shapath-V S.G. Highway Ahmedabad-380015 Gujarat, India
c	Phone number	+91 79 66827300
d	Email	kraval@deloitte.com
3	Details of association with the listed entity/material subsidiary:	See below
a	Date on which the statutory auditor was appointed	26 th Annual General Meeting held on July 25, 2022
b	Date on which the term of the statutory auditor was scheduled to expire	Conclusion of 31 st Annual General Meeting
c	Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission	Audit of the financial statement for the year ended March 31, 2023, vide audit report dated May 30, 2023. Refer Appendix I for the Independent Auditor's Audit Report on the financial statements of the Company for the year ended March 31, 2023.
4	Detailed reasons for resignation	Refer our resignation letter dated August 12, 2023.
5	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)	None
6	In case the information requested by the auditor was not provided, then following shall be disclosed:	None
a	Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or	

¹ This Annexure A forms part of the letter of resignation as statutory auditors dated August 12, 2023 from Deloitte Haskins & Sells LLP (FRN 117366W/W-100018) to Adani Krishnapatnam Port Limited



	circumstances beyond the control of the management	
b	Whether the lack of information would have significant impact on the financial statements/results	
c	Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)	
d	Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued	
7	Any other facts relevant to the resignation:	None

Declaration

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for the resignation of my firm.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Digitally signed
by Kartikeya Raval
Date: 2023.08.12
19:32:17 +05'30'



Kartikeya Raval
Partner
Membership No: 106189

Date: August 12, 2023
Place: Mumbai

Enclosures:

Appendix I: Independent Auditor's Report on the audited financial statements for the year ended and as at March 31, 2023.

INDEPENDENT AUDITOR'S REPORT

To The Members of Adani Krishnapatnam Port Limited (formerly known as Krishnapatnam Port Company Limited)

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Adani Krishnapatnam Port Limited** (formerly known as Krishnapatnam Port Company Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the Basis for Qualified Opinion section below, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

The Company has entered into Engineering, Procurement and Construction (EPC) purchase contracts substantially with a fellow subsidiary ("Contractor") of a party identified in the allegations made in the Short Seller Report. As at March 31, 2023, a net balance of Rs. 18.44 crores is payable to this Contractor in respect of capital payable. The Company has represented to us that the Contractor is not a related party.

The Company has represented to us that there is no effect of the allegations made in the Short Seller Report on the financial statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The Company did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the Company, as stated in Note 42 to the financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an independent external examination by the Company and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 42 to the financial statements, by the Securities and Exchange Board of India of these allegations, we are unable to comment whether these transactions or any other transactions may result in possible adjustments and/or disclosures in the financial statements in respect of related parties, and whether the Company should have complied with the applicable laws and regulations.



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We conducted our audit of the financial statements 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 Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. Except for the matter described in the Basis for Qualified Opinion section above, we believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

Information other than Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report thereof, 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 during the course of our audit or otherwise appears to be materially misstated.
- If, based on work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, in the absence of an independent external examination and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 42 to the financial statements, by the Securities and Exchange Board of India of these allegations, we are unable to comment whether transaction stated in Basis for Qualified Opinion section above, or any other transactions may result in possible adjustments and/or disclosures in the financial statements in respect of related parties, and whether the Company should have complied with the relevant laws and regulations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and free from material misstatement, whether due to fraud or error.



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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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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.

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

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



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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Other Matter

We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our audit does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Company during the year.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - a) We have sought and except for the matter described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account
 - d) Except for possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) The matter described in the Basis for Qualified Opinion section above, in our opinion, 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.



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- g) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section and in paragraph (b) above.
- h) 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 A". Our report expresses an Qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements for the reasons stated therein.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 35 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 38 (3) 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 person or entity, 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 it's knowledge and belief, as disclosed in the Note 38 (4) to the financial statements, no funds have been received by the Company from any person or entity, 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 the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The preference dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in Note 45 (i) to the financial statements, the Board of Directors of the Company has proposed preference dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)
UDIN: 23106189BGVORT3975

Place: Ahmedabad
Date: May 30, 2023



Deloitte Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Adani Krishnapatnam Port Limited (formerly known as Krishnapatnam Port Company Limited) ("the Company") as of March 31, 2023 in conjunction with our audit of 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

Except for the matter described in the Basis for Qualified Opinion section below, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2023:

The Company did not have an appropriate internal control system in respect of conducting an external examination of allegations made on the Company, including on related party relationships, which could potentially result in possible adjustments / disclosures of related party relationships, balances and transactions in the financial statements and compliance with applicable laws and regulations.

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in basis for Qualified opinion section above on the achievement of the objectives of the control criteria, the company has maintained in all material aspects, adequate internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on internal control with reference to financial statements criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.



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We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2023, and we have issued a qualified opinion on the said financial statements of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)

Kartikeya Raval

Kartikeya Raval
Partner

(Membership No. 106189)
UDIN: 23106189BGVORT3975



Place: Ahmedabad
Date: May 30, 2023

**Deloitte
Haskins & Sells LLP**

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF ADANI
KRISHNAPATNAM PORT LIMITED (FORMERLY KNOWN AS KRISHNAPATNAM
PORT COMPANY LIMITED)**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory
Requirements' section of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

- (i) In respect of the Company's property, plant and equipment:
- (a)
- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work-in-Progress, and relevant details of Right of Use assets.
- B. The Company has maintained proper records showing full particulars of Intangible assets.
- (b) Some of the Property, Plant and Equipment, Capital Work-in-Progress, and Right of Use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, Capital Work-in-Progress, and Right of Use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment, Capital Work-in Progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

(Rs in Crores)

Description of property	As at the Balance sheet date	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
	Carrying value in the financial statements (Amount in Crs)				
Lease hold land	2.88	NA	NA	NA	In Process of transfer
Head Office Building	3.20	NA	NA	NA	In the process of transfer from old owner to new owner



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(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

(a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii)

The Company has not granted any advances in the nature of loans, secured or unsecured and provided guarantees, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has made investments in, granted unsecured loans to companies and provided securities during the year, in respect of which:

(a) The Company has provided loans and provided security during the year and details of which are given below:

	(Rs. in Crores)	
	Loans	Security
A. Aggregate amount granted / provided during the year:		
- Subsidiaries	-	
- Joint Ventures	0.32	
- Others	-	2182.70 [^]
B. Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries	23.88	
- Joint Ventures	6.62	
- Others	100.00	2182.70 [^]

[^]Represents the carrying value of securities in the books of account as at March 31, 2023.



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- (b) Except for possible effects of the matter described in our Basis for Qualified Opinion section in our audit report on the financial statements, the security given and the terms and conditions of the grant of all the above-mentioned loans during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company has granted loans, that are payable on demand. During the year, the Company has not demanded such loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) None of the loans granted by the Company have fallen due during the year.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) of the Order is not applicable.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public to which the directives issued by the Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues of Provident Fund, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.



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(c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. in Crores)	Period to which the Amount Relates	Forum Where Dispute is Pending
Income Tax Act, 1961	Income Tax	37.68	FY 2009-10, FY 2011-12 & FY 2012-13	Income Tax Appellate Tribunal
Finance Act, 1994	Service Tax	135.90 [^]	FY 2011-12 to FY 2016-17	Customs Excise and Service Tax Appellate Tribunal, Hyderabad
		18.30	FY 2016-17	Assistant Commissioner of Central Tax - Audit Division, Nellore
		8.41	FY 2017-18	Additional Commissioner of Central Tax - Audit Division, Nellore
Telangana Value Added Tax Act, 2005	Value Added Tax	6.14 ⁺	FY 2010-11	High Court of Telangana
		6.45 [@]	FY 2016-17 to FY 2017-18	Divisions Assistant Commissioner, Tirupathi
Goods and Services Tax Act, 2016	Goods and Service Tax	41.00	FY 2017 - 18 to 2018-19	Joint Commissioner, Guntur
	Goods and Service Tax	2.92	FY 2017 - 18	Joint Commissioner, Guntur
Andhra Pradesh's Water Land and Tree Act, 2002 and Free Sand Policy	Seigniorage fee	79.16	FY 2006-07 to FY 2011-12	High Court of Andhra Pradesh
Building and Other Construction Workers' Welfare Cess Act, 1996	Building cess	38.36 [~]	FY 2007-08 to FY 2012-13	Ministry of Labour, Hyderabad
Motor Vehicle Act	Life tax	0.87 [`]	FY 2012-13	Honourable Supreme Court



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Name of the Statute	Nature of the Dues	Amount (Rs. in Crores)	Period to which the Amount Relates	Forum Where Dispute is Pending
Customs Act, 1962	SFIS scrips	14.39 [#]	FY 2007-08 to FY 2013-14	Director General of Foreign Trade
Railway's Act 1989	Railway Matter	1.46	FY 2013-14 and FY 2014-15	High Court of Andhra Pradesh
Motor Vehicle Act	Entry Tax	10.26	FY 2010-11	High Court of Andhra Pradesh
Industrial Disputes Act, 1947	Labour Matters	0.15	FY 2013-14 to FY 2021-22	Labour Court, Guntur
Industrial Disputes Act, 1947	Labour Matters	0.13	FY 2010-11	High Court of Andhra Pradesh
Railway's Act 1989	Railway Matter	2.61	FY 2018-2019	Additional Chief Judge City Civil Court, Secunderabad

^Net of Rs. 6.59 Crore paid under protest

@Net of Rs. 5.20 Crore paid under protest

~ Net of payment made Rs. 6.07 Crore

` Net of payment made Rs. 1.00 Crore

#Net of payment made Rs. 4.37 Crore

+Net of payment made Rs. 0.88 Crore

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)

- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.



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- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies or joint ventures.
- (x)
- a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)
- a) To the best of our knowledge, except for the possible effects of the matter stated in our Basis for Qualified Opinion paragraph in our audit report on the financial statement, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year. We have taken into consideration the Short Seller Report referred to in our Basis for Qualified Opinion section in our audit report on the financial statements while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) Except for the possible effects of the matters described in the Basis for Qualified Opinion section of our audit report on the financial statements, the Company is in compliance with section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv)
- a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit observations of the Company presented to the Audit Committee on quarterly basis, for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors, or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



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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. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- d) The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, including obtaining financial support, if necessary, from Adani Ports and Special Economic Zone Limited, the Parent Company to enable the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval

Partner

(Membership No. 106189)

UDIN: 23106189BGVORT3975

Place: Ahmedabad
Date: May 30, 2023

August 12, 2023

To

The Board of Directors
The Dhamra Port Company Limited
HIG-20 BDA Colony,
Jayadev Vihar
Bhubaneswar
Khordha OR 751013 IN

Dear Sirs,

Subject: Resignation as Statutory Auditor of The Dhamra Port Company Limited ("the Company")

We had been appointed as statutory auditors of the Company to hold office from the conclusion of 24th Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company, i.e., for a period of 5 years commencing from financial year April 1, 2022 to financial year ending March 31, 2027. The Company is a material subsidiary of Adani Ports and Special Economic Zone Limited ("the Holding Company").

As discussed, we are tendering our resignation as statutory auditors of the Company with immediate effect, since we are no longer the statutory auditors of the Holding Company and because we are not statutory auditors of a substantial number of Other Adani Group of companies (as referred to under "Other Matters" in the audit report dated May 30, 2023, for the year ended March 31, 2023), including an Adani Group company (and its subsidiaries) after completion of our term of five years.

We thank you for the cooperation and courtesies extended to us during our term as statutory auditors of the Company.

Please find attached in Annexure A the information to be obtained by the Company from the auditors for the resignation as required by SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.

Yours sincerely,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Kartikey Digitally signed by
Kartikeya Raval
a Raval Date: 2023.08.12
19:26:31 +05'30'

Kartikeya Raval
Partner
(Membership No. 106189)



Annexure A

Format of information to be obtained from the statutory auditor upon resignation¹

1	Name of the listed entity/material subsidiary	The Dhamra Port Company Limited (referred to as "the Company")
2	Details of the statutory auditor:	
a	Name	Deloitte Haskins & Sells LLP
b	Address	19 th Floor, Shapath-V S.G. Highway Ahmedabad-380015 Gujarat, India
c	Phone number	+91 79 66827300
d	Email	kraval@deloitte.com
3	Details of association with the listed entity/material subsidiary:	See below
a	Date on which the statutory auditor was appointed	24 th Annual General Meeting held on July 23, 2022
b	Date on which the term of the statutory auditor was scheduled to expire	Conclusion of 29 th Annual General Meeting
c	Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission	Audit of the financial statements for the year ended March 31, 2023, vide audit report dated May 30, 2023. Refer Appendix I for the Independent Auditor's Report on the financial statements of the Company for the year ended March 31, 2023.
4	Detailed reasons for resignation	Refer our resignation letter dated August 12, 2023.
5	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)	None
6	In case the information requested by the auditor was not provided, then following shall be disclosed:	None
a	Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or	

¹ This Annexure A forms part of the letter of resignation as statutory auditors dated August 12, 2023 from Deloitte Haskins & Sells LLP (FRN 117366W/W-100018) to The Dhamra Port Company Limited



**Deloitte
Haskins & Sells LLP**

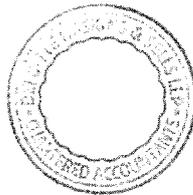
	circumstances beyond the control of the management	
b	Whether the lack of information would have significant impact on the financial statements/results	
c	Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)	
d	Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued	
7	Any other facts relevant to the resignation:	None

Declaration

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for the resignation of my firm.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Digitally signed
by Kartikeya Raval
Date: 2023.08.12
19:27:16 +05'30'



Kartikeya Raval
Partner
Membership No: 106189

Date: August 12, 2023
Place: Mumbai

Enclosures:

Appendix I: Independent Auditor's Report on the audited financial statements for the year ended and as at March 31, 2023.

INDEPENDENT AUDITOR'S REPORT

**To The Members of The Dhamra Port Company Limited
Report on the Audit of the Financial Statements**

Qualified Opinion

We have audited the accompanying financial statements of **The Dhamra Port Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

The Company has entered into Engineering, Procurement and Construction (EPC) purchase contracts substantially with a fellow subsidiary ("Contractor") of a party identified in the allegations made in the Short Seller Report. As at March 31, 2023, a net balance of Rs. 559 crores is recoverable from this contractor, of which Rs. 601 crores relate to security deposits paid to the contractor. The security deposits carry an interest of approximately 8% per annum and are refundable by the contractor either on completion or termination of the project against which the security deposit was given by the Company. Security deposits of Rs. 601 crores have been given during the year, of which security deposits amounting to Rs. 541 crores relate to projects which have not commenced as at March 31, 2023. The Company has represented to us that the contractor is not a related party.

The Company has represented to us that there is no effect of the allegations made in the Short Seller Report on the financial statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The Company did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the Company, as stated in Note 47 to the financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an independent external examination by the Company and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 47 to the financial statements, by the Securities and Exchange Board of India of these allegations, we are unable to comment whether these transactions or any other transactions may result in possible adjustments and/or disclosures in the financial statements in respect of related parties, and whether the Company should have complied with the applicable laws and regulations.



Deloitte Haskins & Sells LLP

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2023 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 ICAI's Code of Ethics. Except for the matter described in the Basis for Qualified Opinion section above, we believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' 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 during the course of our 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. As described in the Basis for Qualified Opinion section above, in the absence of an independent external examination and pending completion of investigation, including matters referred to in the Report of Expert Committee constituted by Hon'ble Supreme Court of India as described in Note 47 to the financial statements, by the Securities and Exchange Board of India of these allegations, we are unable to comment whether transaction stated in Basis for Qualified Opinion section above, or any other transactions may result in possible adjustments and/or disclosures in the financial statements in respect of related parties, and whether the Company should have complied with the relevant laws and regulations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give



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a true and fair view and are free from material misstatement, whether due to fraud or error.

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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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 the financial statements.

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

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



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- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Other Matters

1. We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our audit does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Company during the year.
2. The comparative financial information of the Company for the year ended March 31, 2022 prepared in accordance with Ind AS included in the financial statements has been audited by the predecessor auditor. The report of the predecessor auditor on this comparative financial information dated May 09, 2022, expressed an unmodified opinion.

Our report on the financial statements and our report on the Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and except for the matter described in Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) Except for the possible effects of the matters described in the Basis for Qualified



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Opinion section above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) The matter described in the Basis for Qualified Opinion section above, in our opinion, 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) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section and in paragraph (b) above.
- h) 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 A". Our report expresses qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements for the reasons stated therein.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the note 5(a) 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 person or entity, 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 it's knowledge and



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belief, as disclosed in the note 17(c) to the financial statements no funds have been received by the Company from any person or entity, 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 the audit procedures that has been considered reasonable and appropriate in the circumstances, except for the possible effects of the matters described in the Basis for Qualified Opinion section above, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikaya Raval

Kartikaya Raval
Partner
(Membership No. 106189)
(UDIN:23106189BGVORN8795)

Place: Ahmedabad
Date: May 30, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **The Dhamra Port Company 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

Except for the matter described in the basis for Qualified Opinion section below, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis



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for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2023:

The Company did not have an appropriate internal control system in respect of conducting an external examination of allegations made on the Company, including on related party relationships, which could potentially result in possible adjustments/disclosures of related party relationships, balances and transactions in the financial statements and compliance with applicable laws and regulations.

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in Basis for Qualified Opinion section above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company



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considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2023, and we have issued a qualified opinion on the said financial statements of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikaya Raval

Kartikaya Raval
Partner
(Membership No. 106189)
(UDIN:23106189BGVORN8795)

Place: Ahmedabad
Date: May 30, 2023

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**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF THE DHAMRA
PORT COMPANY LIMITED**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

(i) (a)

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work in Progress and relevant details of Right of use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment, Capital Work in Progress and Right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, Capital Work in Progress and right-of-use assets at reasonable intervals having regard to size of the Company and the nature of its activities. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 2988 (As amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time during the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.



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- (iii) Except for the possible effect of the matter relating to security deposit given to the Contractor described in our Basis for Qualified Opinion section in our audit report on the financial statements, during the year, the Company has not given any advances in nature of loans, provided guarantee or security to the companies, firms, Limited Liability partnership or any other parties during the year. The Company has made investment in, granted secured or unsecured loans during the year in respect of which:

- (a) The Company has provided loans during the year and details of which are given below:

[₹ in Crores]	
Particulars	Loans
A. Aggregate amount granted / provided during the year:	
- Parent Company	1,951.24
- Subsidiary [#]	0.27
- Others	64.64
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Parent Company	258.74
- Subsidiary [#]	0.32
- Others	286.34

Amount invested in Perpetual Debt of subsidiary.

- (b) Except for possible effect of the matters described in our Basis for Qualified Opinion section in our audit report on the financial statements, the terms and conditions of the grant of all the above-mentioned loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c)

(i) In respect of loans granted by the Company, other than loans granted in the nature of perpetual debt, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(ii) In respect of loans granted in the nature of Perpetual Debt, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment of the regularity of the repayments of principal amount and payment of interest. (Refer reporting under clause (iii) (f) below).

- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company there is no overdue amount remaining outstanding as at the balance sheet date.



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- (e) None of the loans and granted by the Company have fallen due during the year.
- (f) During the year, the Company has granted loans which are repayable on demand or without specifying any terms or period of repayment, details of which are given below:

[₹ in Crores]		
Particulars	All Parties (Including Related parties)	Related Parties
Aggregate of loans		
- Repayable on demand (A)	-	-
- Agreement does not specify any terms or period of repayment (B)#	0.27	0.27
Total (A+B)	0.27	0.27
Percentage of total loans outstanding	0.05%	0.05%

#Perpetual debt, classified under the note of Investments in the financial statements, has been considered as loans without repayment terms for the purpose of above reporting.

- (iv) In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section in our audit report on the financial statements, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues of Provident Fund, Income-tax, duty of Customs, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.



(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount in Crores	Period to which the amount relates	Forum where Dispute is pending
Finance Act, 1994	Service Tax	*6.1	2005-06 to 2009-10	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
		**7.65	2010-11 to 2012-13	
		#2.00	2010-11 to 2013-14	
		##0.8	2014-15 to 2015-16	
		@126.58	2011-12 to 2014-15	
Finance Act, 1994	Service Tax	57.41	2015-16 to 2017-18	The Principal Commissioner CGST & Central Excise, Bhubaneswar
Income Tax Act, 1961	Income Tax	0.02	2008-09	Commissioner of Income Tax (Appeals)
	Income Tax	@@8.20	2017-18	

* Paid Rs. 0.22 crores under protest against demand.

** Paid Rs. 0.29 crores under protest against demand.

Paid Rs. 0.07 crores under protest against demand.

Paid Rs. 0.03 crores under protest against demand.

@ Paid Rs. 4.75 crores under protest against demand.

@@ Refund of Rs. 8.20 crores pertains to FY 2017-18 has been adjusted by Income Tax Department against the refund receivable by the Company.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) On an overall examination of the financial statements of the Company, the company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, there are no funds raised on short-term basis and hence, reporting under clause (ix)(d) of the Order is not applicable.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any associate or joint venture.



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- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any associate or joint venture.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, except for the matter stated in our Basis for Qualified Opinion section in our audit report on the financial statements no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year. We have taken into consideration the Short Seller Report referred to in our Basis for Qualified Opinion section in our audit report on the financial statements while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) Except for the possible effects of the matter described in the Basis for Qualified Opinion section of our audit report on the financial statements, the Company is in compliance with section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause (xiii) of the Order in so far as it relates to Section 177 of the Act is not applicable.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit observations of the Company presented to the Board of Directors, for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.



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- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Kartikaya Raval



Kartikaya Raval
Partner

(Membership No. 106189)
(UDIN:23106189BGVORN8795)

Place: Ahmedabad
Date: May 30, 2023

August 12, 2023

To
The Board of Directors
Adani Gangavaram Port Limited
Adani Corporate House, Shantigram
Near Vaishnodevi Circle, S.G. Highway,
Ahmedabad - 382421

Dear Sirs,

Subject: Resignation as Statutory Auditor of Adani Gangavaram Port Limited ("the Company")

We had been appointed as statutory auditors of the Company to hold office from the conclusion of 01st Annual General Meeting till the conclusion of the 06th Annual General Meeting of the Company, i.e., for a period of 5 years commencing from financial year April 1, 2022 to financial year ending March 31, 2027. The Company is a material subsidiary of Adani Ports and Special Economic Zone Limited ("the Holding Company").

As discussed, we are tendering our resignation as statutory auditors of the Company with immediate effect, since we are no longer the statutory auditors of the Holding Company and because we are not statutory auditors of a substantial number of Other Adani Group of companies (as referred to under "Other Matters" in the audit report dated May 30, 2023, for the year ended March 31, 2023), including an Adani Group company (and its subsidiaries) after completion of our term of five years.

We thank you for the cooperation and courtesies extended to us during our term as statutory auditors of the Company.

Please find attached in Annexure A the information to be obtained by the Company from the auditors for the resignation as required by SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.

Yours sincerely,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Digitally signed
by Kartikeya
Raval
a Raval
Date: 2023.08.12
19:08:58 +05'30'

Kartikeya Raval
Partner
(Membership No.106189)



Annexure A

Format of information to be obtained from the statutory auditor upon resignation¹

1	Name of the listed entity/material subsidiary	Adani Gangavaram Port Limited (referred to as "the Company")
2	Details of the statutory auditor:	
a	Name	Deloitte Haskins & Sells LLP
b	Address	19 th Floor, Shapath-V S.G. Highway Ahmedabad-380015 Gujarat, India
c	Phone number	+91 79 66827300
d	Email	kraval@deloitte.com
3	Details of association with the listed entity/material subsidiary:	See below
a	Date on which the statutory auditor was appointed.	1 st Annual General Meeting held on July 23, 2022
b	Date on which the term of the statutory auditor was scheduled to expire	Conclusion of 6 th Annual General Meeting
c	Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission	Audit of the financial statement for the year ended March 31, 2023, vide audit report dated May 30, 2023. Refer Appendix I for the Independent Auditor's Report on the financial statements of the Company for the year ended March 31, 2023.
4	Detailed reasons for resignation	Refer our resignation letter dated August 12, 2023
5	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)	None
6	In case the information requested by the auditor was not provided, then following shall be disclosed:	None
a	Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or	

¹ This Annexure A forms part of the letter of resignation as statutory auditors dated August 12, 2023 from Deloitte Haskins & Sells LLP (FRN 117366W/W-100018) to Adani Gangavaram Port Limited



	circumstances beyond the control of the management	
b	Whether the lack of information would have significant impact on the financial statements/results	
c	Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)	
d	Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued	
7	Any other facts relevant to the resignation:	None

Declaration

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for the resignation of my firm.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Digitally signed
by Kartikeya Raval
Date: 2023.08.12
19:09:41 +05'30'

Kartikeya Raval
Partner
Membership No: 106189



Date: August 12, 2023
Place: Mumbai

Enclosures:

Appendix I: Independent Auditor's report on the audited financial statements for the year ended and as at March 31, 2023.

INDEPENDENT AUDITOR'S REPORT
To The Members of ADANI GANGAVARAM PORT LIMITED (Formerly known as
"ADANI GANGAVARAM PORT PRIVATE LIMITED")
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Adani Gangavaram Port Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

The Company has entered into Engineering, Procurement and Construction (EPC) purchase contracts substantially with a fellow subsidiary ("Contractor") of a party identified in the allegations made in the Short Seller Report. As at March 31, 2023, a net balance of Rs. 46.94 crores is payable to this Contractor in respect of capital payable. The Company has represented to us that the Contractor is not a related party.

The Company has represented to us that there is no effect of the allegations made in the Short Seller Report on the financial statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The Company did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the Company, as stated in Note 40 to the financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an independent external examination by the Company and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 40 to the financial statements, by the Securities and Exchange Board of India of these allegations, we are unable to comment whether these transactions may result in possible adjustments and/or disclosures in the financial statements in respect of related parties, and whether the Company should have complied with the applicable laws and regulations.

We conducted our audit of the financial statements 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 Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant



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to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. Except for the matters described in the Basis for Qualified Opinion section above, we believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors 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 during the course of our audit or otherwise appears to be materially misstated.
- If, based on work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, in the absence of an independent external examination by the Company and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 40 to the financial statements, by the Securities and Exchange Board of India of these allegations, we are unable to comment whether transaction stated in Basis for Qualified Opinion section above, or any other transactions may result in possible adjustments and/or disclosures in the financial statements in respect of related parties, and whether the Company should have complied with the relevant laws and regulations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 the Board of



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Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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.

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work



and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Other Matters

We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our audit does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Company during the year.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and except for the matter described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) The matter described in the Basis for Qualified Opinion section above, in our opinion, 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.



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- g) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section and in paragraph (b) above.
- h) 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 A". Our report expresses qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements for the reasons stated therein
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 36 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 37(iii) 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 person or entity, 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 it's knowledge and belief, as disclosed in the note 37(iv) to the financial statements, no funds have been received by the Company from any person or entity, 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.



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- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, except for the possible effects of the matters described in the Basis for Qualified Opinion section above, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 23106189BGVORU2041)

Place: Ahmedabad
Date: May 30, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Adani Gangavaram Port 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

Except for the matter described in the Basis for Qualified Opinion section below, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements .



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified at March 31, 2023:

The Company did not have an appropriate internal control system in respect of conducting an external examination of allegations made on the Company, including on related party relationships, which could potentially result in possible adjustments/disclosures of related party relationships, balances and transactions in the financial statements and compliance with applicable laws and regulations.

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in Basis for Qualified Opinion section above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on



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Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2023, and we have issued a qualified opinion on the said financial statements of the Company.

For **Deloitte Haskins & sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikaya Raval

Kartikaya Raval
(Partner)
(Membership No. 106189)
(UDIN 23106189BGVORU2041)

Place: Ahmedabad
Date: May 30, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT.

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

- (i)
- (a)
- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work in Progress and relevant details of Right of use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, Plant and Equipment, Capital Work in Progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, Capital Work in Progress and right-of-use assets at reasonable intervals having regard to size of the Company and the nature of its activities. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
- (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.



- (b) According to the information and explanations given to us, at any point of time during the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and 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, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public to which the directives issued by the Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013. Hence, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below :

Name of Statute	Nature of Dues	Amount Demanded (Rs. In Lacs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax, Interest and Penalty as applicable	161.03	May 2007 to September 2008	The Customs, Excise and Service Tax appellate Tribunal, Hyderabad
		406.03*	July 2012 to December 2013	
		196.48 **	January 2014 to March 2015	



Name of Statute	Nature of Dues	Amount Demanded (Rs. In Lacs)	Period to which the amount relates	Forum where the dispute is pending
		246.30 ***	April 2015 to March 2016	

* Net off of Rs. 15.82 Lacs paid under protest

** Net off of Rs. 19.65 Lacs paid under protest

*** Net off of Rs. 19.97 Lacs paid under protest

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)

- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.

(x)

- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- b) The Company has made private placement of optionally convertible debentures during the year and has complied with the requirements of Section 42 and 62 of the Companies Act, 2013.
The above mentioned optionally convertible debentures have been issued against the outstanding payable for capital assets acquired from Adani Ports and Special Economic Zone Limited, Parent Company under the scheme of arrangement and hence reporting under this clause for utilization of funds does not arise.

(xi)

- a) According to the information and explanations given to us, except for the matter stated in our Basis for Qualified Opinion section in our audit report on the financial



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statements, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year. We have taken into consideration the Short Seller Report referred to in our Basis for Qualified Opinion section in our audit report on the financial statements while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our audit report on the financial statements, the Company is in compliance with section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause (xiii) of the Order in so far as it relates to Section 177 of the Act is not applicable.
- (xiv)
- a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b) We have considered the internal audit observations of the Company presented to the Board of Directors on quarterly basis, for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
- a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
 - d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.



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- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikaya Raval

Place: Ahmedabad
Date: May 30, 2023

Kartikaya Raval
(Partner)
(Membership No.106189
(UDIN : 23106189BGVORU2041)

August 12, 2023

To
The Board of Directors
The Adani Harbour Services Limited
Adani Corporate House, Shantigram
Near Vaishnodevi Circle, S.G. Highway,
Ahmedabad – 382421

Dear Sirs,

**Subject: Resignation as Statutory Auditor of The Adani Harbour Services Limited
("the Company")**

We had been appointed as statutory auditors of the Company to hold office from the conclusion of 13th Annual General Meeting till the conclusion of the 18th Annual General Meeting of the Company, i.e., for a period of 5 years commencing from financial year April 1, 2022 to financial year ending March 31, 2027. The Company is a material subsidiary of Adani Ports and Special Economic Zone Limited ("the Holding Company").

As discussed, we are tendering our resignation as statutory auditors of the Company with immediate effect, since we are no longer the statutory auditors of the Holding Company and because we are not statutory auditors of a substantial number of Other Adani Group of companies (as referred to under "Other Matters" in the audit report dated May 30, 2023, for the year ended March 31, 2023), including an Adani Group company (and its subsidiaries) after completion of our term of five years.

We thank you for the cooperation and courtesies extended to us during our term as statutory auditors of the Company.

Please find attached in Annexure A the information to be obtained by the Company from the auditors for the resignation as required by SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.

Yours sincerely,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Kartikeya Digitally signed
by Kartikeya
Raval
a Raval Date: 2023.08.12
19:21:28 +05'30'

Kartikeya Raval
Partner
(Membership No.106189)



Annexure A

Format of information to be obtained from the statutory auditor upon resignation¹

1	Name of the listed entity/material subsidiary	The Adani Harbour Services Limited (referred to as "the Company")
2	Details of the statutory auditor:	
a	Name	Deloitte Haskins & Sells LLP
b	Address	19 th Floor, Shapath-V S.G. Highway Ahmedabad-380015 Gujarat, India
c	Phone number	+91 79 66827300
d	Email	kraval@deloitte.com
3	Details of association with the listed entity/material subsidiary:	See below
a	Date on which the statutory auditor was appointed	13 th Annual General Meeting held on July 05, 2022
b	Date on which the term of the statutory auditor was scheduled to expire	Conclusion of 18 th Annual General Meeting
c	Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission	Audit of financial statements for the year ended March 31, 2023, vide audit report dated May 30, 2023. Refer Appendix I for the Independent Auditor's Report on the financial statements of the Company for the year ended March 31, 2023.
4	Detailed reasons for resignation	Refer our resignation letter dated August 12, 2023.
5	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)	None
6	In case the information requested by the auditor was not provided, then following shall be disclosed:	None
a	Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or	

¹ This Annexure A forms part of the letter of resignation as statutory auditors dated August 12, 2023 from Deloitte Haskins & Sells LLP (FRN 117366W/W-100018) to The Adani Harbour Services Limited



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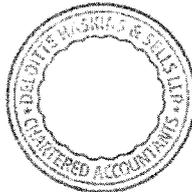
	circumstances beyond the control of the management	
b	Whether the lack of information would have significant impact on the financial statements/results	
c	Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)	
d	Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued	
7	Any other facts relevant to the resignation:	None

Declaration

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for the resignation of my firm.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Digitally signed
by Kartikeya
Raval
Date: 2023.08.12
19:22:16 +05'30'



Kartikeya Raval
Partner
Membership No: 106189

Date: August 12, 2023
Place: Mumbai

Enclosures:

Appendix I: Independent Auditor's Report on the audited financial statements for the year ended and as at March 31, 2023.

INDEPENDENT AUDITOR'S REPORT

**To The Members of The Adani Harbour Services Limited
(Formerly Known as "The Adani Harbour Services Private Limited")
Report on the Audit of the Financial Statements**

Qualified Opinion

We have audited the accompanying financial statements of The Adani Harbour Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section below, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

- a) During the year ended March 31, 2022, the Company provided loans aggregating to Rs. 2,590.13 crore with a contractual rate of interest of 7.5 % to a fellow subsidiary, wherein, the discretion for payment of interest and principal is solely with the fellow subsidiary. The instrument was recognized on initial recognition as a perpetual financial instrument by the Company at transaction price of Rs. 2,590.13 crore and presented under Investment Fair Valued Through Other Comprehensive Income (FVTOCI) under Ind AS 109 – Financial Instruments, the Company should have recognized the loan with no stated repayment terms at Fair value and recognized the initial difference between the fair value and the transaction price in accordance with the substance of the transaction as either an equity contribution or a deemed distribution to parent. Given that the fair value on initial recognition was not determined, we are unable to determine the possible effects of this transaction on the financial statements of the Company for the year ended March 31, 2022 and March 31, 2023 respectively.
- b) The Company has entered into financing transactions with a party identified in the allegations made in the Short Seller Report, which the Company has represented to us were not a related party. As at March 31, 2023, all receivable and payable amounts were settled including interest and there were no outstanding balances.

The Company has represented to us that there is no effect of the allegations made in the Short Seller Report on these financial statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The Company did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the Company, as stated in Note 40 to the financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an independent external examination by the Company and pending completion of investigation, including matters referred to in the Report of



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the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 40 to the financial statements, by the Securities and Exchange Board of India of these allegations, we are unable to comment whether these transactions or any other transactions may result in possible adjustments and/or disclosures in these financial statements in respect of related parties, and whether the Company should have complied with the applicable laws and regulations.

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 Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. Except for the matters described in the Basis for Qualified Opinion section above, we believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' 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 during the course of our 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. As described in the Basis for Qualified Opinion section above, in the absence of an independent external examination and pending completion of investigation by the Securities and Exchange Board of India, we are unable to comment whether transaction stated in Basis for Qualified Opinion section above, or any other transactions may result in possible adjustments and/or disclosures in the financial statements in respect of related parties, and whether the Company should have complied with the relevant laws and regulations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of



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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.

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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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.

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

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



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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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Other Matter

- a) We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our audit does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Company during the year.
- b) The comparative financial information of the company for the year ended March 31, 2022 prepared in accordance with Ind AS included in the Financial Statements has been audited by the predecessor auditor. The report of the predecessor auditor on this comparative financial information dated May 10, 2022, expressed an unmodified opinion.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and except for the matters described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- d) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Basis for Qualified Opinion section above, in our opinion, 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) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section and in paragraph (b) above.
- h) 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 A". Our report expresses qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements for the reasons stated therein.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 39(iii) 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 person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly



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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 it's knowledge and belief, as disclosed in the note 39(iv) to the financial statements no funds have been received by the Company from any person or entity, 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 the audit procedures that has been considered reasonable and appropriate in the circumstances, except for the possible effects of the matters described in the paragraph (b) of the Basis for Qualified Opinion section above, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 12.5 to the financial statements the interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner

(Membership No. 106189)

UDIN: 23106189BGVORO3421

Place: Ahmedabad
Date: May 30, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Adani Harbour Services 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

Except for the matters described in the Basis for Qualified Opinion section above, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the internal financial controls with reference to financial statements as at March 31, 2023:

- a) The Company did not have an appropriate internal control system in respect of recognition, measurement and classification of financial instrument with discretionary interest and repayment rights.
- b) The Company did not have an appropriate internal control system in respect of conducting an external examination of allegations made on the Company, including on related party relationships, which could potentially result in possible adjustments/disclosures of related party relationships, balances and transactions in the financial statements and compliance with applicable laws and regulations.

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described in Basis for Qualified Opinion section above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference



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to financial statements were operating effectively as of March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2023, and we have issued a qualified opinion on the financial statements of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner

(Membership No. 106189)
UDIN: 23106189BGVORO3421

Place: Ahmedabad
Date: May 30, 2023

**Deloitte
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**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory
Requirements' section of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)
- a)
- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work-in-progress except in the case Property, Plant and equipment in the nature of tugs which are still under process of registration in the name of the Company amounting to Rs. 283.59 Crores.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- b) Some of the Property, Plant and Equipment and capital work-in-progress were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment and capital work-in-progress at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
- a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.



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(iii) The Company has not provided any advances in the nature of loans or stood guarantee to any other entity or provided security during the year. The company has made investments in and granted unsecured loans to companies during the year, in respect of which:

a) The Company has provided loans during the year and details of which are given below:

Particulars	Loans (Amount in Crores)
A. Aggregate amount granted / provided during the year:	
- Parent Company	6,564.31
- Subsidiaries	519.22
- Others	1,500.00
B. Balance outstanding as at balance sheet date:	
- Parent Company	3,445.45
- Fellow Subsidiary#	2,590.13
- Subsidiaries	70.47
- Others	-
# Includes amounts invested in Perpetual Debts	

b) Except for the possible effects of loans provided to the fellow subsidiary with discretionary interest and principal repayment rights by the issuer, mentioned in paragraph (a) of the Basis for Qualified Opinion above in our audit report of financial statements, the investment made and the terms and conditions of the grant of all the above-mentioned loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations except for the following:

Name of the entity	Nature	Amount in Crores	Due date	Extent of delay (In days)	Remarks, if any
Zeus Shelters Private Limited	Principal and Interest	0.79	March 31, 2022	49	Entire loan has been repaid along with interest during the current year.

Also, in respect of loan granted to a subsidiary, nature of loan are payable on demand. During the year the company has not demanded such loans. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular. (Refer reporting under clause (iii)(f) below).



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- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) During the year, the Company has granted loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:

(Amount in Crores)

Particulars	All (including parties)	Parties related	Related Parties
Aggregate of loans			
- Repayable on demand (A)		516.74	516.74
- Agreement does not specify any terms or period of repayment (B)		-	-
Total (A+B)		516.74	516.74
Percentage of total loans outstanding		8.46%	8.46%

- (iv) In our opinion, except for the possible effects of the matter described in the paragraph (b) of Basis for Qualified Opinion section in our audit report on the financial statements, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Tax deducted at source. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.



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There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (Rs. in Crores)	Period to which the Amount Relates	Forum where Dispute is Pending
Finance Act, 1994	Service Tax	1.15*	2010-11 to 2014-15	Joint Commissioner, Service Tax, Kolkata
Income Tax Act, 1961	Income Tax	2.40	AY 2019-20	CIT(A)

*Net off Rs.0.09 crores paid under protest

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)

- a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x)

- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.



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- b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)
- a) To the best of our knowledge, except for the possible effects of the matters described in paragraph (b) of the Basis for Qualified Opinion in report on the financial statements, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year. We have taken into consideration the Short Seller Report referred in paragraph (b) of the Basis for Qualified Opinion section in our audit report on the financial statements while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) Except for the possible effects of the matters described in the paragraph (b) of the Basis for Qualified Opinion section in our audit report on the financial statements, in our opinion, the Company is in compliance with Section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause (xiii) of the Order in so far as it relates to Section 177 of the Act is not applicable.
- (xiv)
- a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit observations of the Company presented to the Board of Directors on quarterly basis, for the period under audit.
- (xv) In our opinion and according to information and explanations given to us, during the year the company has not entered into any non cash transactions with its directors or persons connected with its director and hence provision of section 192 of the Companies Act, 2013 are not applicable.
- (xvi)
- a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.



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- d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)
UDIN: 23106189BGVORO3421

Place: Ahmedabad
Date: May 30, 2023