

**INDEPENDENT AUDITOR'S REPORT****To Members of Visakhapatnam Port Logistics Park Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of **Visakhapatnam Port Logistics Park Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the financial statements, including 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the accounting standard specified under section 133 of the Act,

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020.

(b) in the case of the Statement of Profit & Loss, of the loss of the Company for the year ended on that date.

(c) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.

(d) in the case of Statement of Changes in Equity, of the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We invite attention to Note No 22.9 to the Financial Statements, which describes the uncertainties associated with the COVID-19 pandemic and impact assessment made by the company on the Financial Statements. As mentioned in the said note, based on the future economic conditions, the actual impact may not be in line with the current estimates as made by the company, although the current impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern.

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



**Other Matters**

1. The Company is yet to appoint a full time Company Secretary in terms of Section 203(1) of the Companies Act 2013.
2. Due to the ongoing COVID-19 pandemic and the lockdown/other restrictions imposed by the Government, certain audit processes were carried out based on the remote access of the books of accounts/records and other necessary documents/information made available to us by the management through digital medium.

Our opinion is not modified in respect of these matters.

**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 of the information included in the Board Report including Annexures to Board Report but does not include the financial statements and our auditors' report thereon. The Board Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



**Auditor's Responsibilities for the Audit of the Financial Statements**

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under section 143(5) of the Act, we give in "Annexure C", a statement on the Directions issued by the Comptroller & Auditor General of India, action taken thereon and its impact on the financial statements of the Company.
3. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
  - e) Pursuant to notification no. G.S.R. 463(H) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Section 164(2) of the Act pertaining to the disqualification of the Directors is not applicable to the Company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) The reporting requirements in terms of section 197(16) of the Act, as amended is not applicable to the Company.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    1. The Company does not have any pending litigation which could have impact on its financial position in its financial statements. Refer Note No 22.11.
    2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



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3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For KGRS & Co  
Chartered Accountants  
Firm Registration No. 310014 E

*P. Dasgupta*



(P. Dasgupta)  
Partner  
Membership No. 303801  
UDIN: 20303801AAAAKJ8663

Place: Kolkata  
Date: June 11, 2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT  
(Referred to in Independent Auditors' Report on even date)

1.
  - a) The Company has updated its fixed asset register during the year. However, certain further details need to be recorded in the register to update with quantitative details and situation of its fixed assets.
  - b) The Company has physically verified its fixed assets during the year. No material discrepancies were noticed on such verification.
  - c) The title deeds of immovable property are held in the name of the Company.
2. The Company does not hold any physical inventory, therefore the provisions of clause 3 (ii) of the Order is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required to be maintained under section 189 of the Companies Act 2013. Therefore, the provisions of Clause 3 (iii) of the Order are not applicable to the Company.
4. In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief the Company has not granted any loans, made any investments, given any guarantee and security in terms of Section 185 and 186 of the Companies Act 2013. Therefore, the provisions of Clause 3(iv) of the Order are not applicable to the Company.
5. The Company has not accepted any deposits within the meaning of Section 73 - 76 of the Act and the rules framed there under. Therefore, the provisions of Clause 3(v) of the Order are not applicable to the Company.
6. The Company is not required to maintain cost records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013. Therefore, the provisions of Clause 3 (vi) of the Order are not applicable to the Company.
7.
  - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax, Goods and Service Tax, Cess with the appropriate authorities. No amount is outstanding in respect of these dues as on balance sheet date for a period of more than six months from the date they became payable.
  - b) According to the information and explanation given to us, there are no dues of income tax, goods & service tax, duty of customs outstanding which have not been deposited by the Company on account of any dispute.
8. In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a Financial Institution, Bank, Government or Debenture Holders and accordingly, the provisions of Clause 3 (viii) of the Order are not applicable to the Company.
9. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the term loans availed by the Company were applied for the purposes for which these were sanctioned.



The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the period under audit.

10. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such cases by the Management.
11. Provisions of Section 197 of the Act read with Schedule V to the Act does not apply to a Government Company vide notification no. G.S.R. 463(E) dated 5th June, 2015. Accordingly, the provisions of clause 3 (xi) of the Order is not applicable to the Company.
12. The Company is not a Nidhi Company as specified in Section 406 of the Companies Act 2013 and the Companies (Nidhi Companies) Rules, 2014. Therefore, the provisions of Clause 3 (xii) of the order are not applicable to the company.
13. In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and details thereof have been disclosed in the financial statements as required by relevant Accounting Standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.
15. In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, the Company has not entered into any non-cash transactions with directors or persons connected with him in terms of Section 192 of the Companies Act 2013. Therefore, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.
16. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

**For KGRS & Co**  
**Chartered Accountants**  
**Firm Registration No. 310014 E**

*P. Dasgupta*  


**P. Dasgupta**  
**Partner**  
**Membership No 303801**  
**UDIN: 20303801AAAAKJ8663**

**Place: Kolkata**  
**Date: June 11, 2020**

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**  
(Referred to in Independent Auditors' Report on even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Visakhapatnam Port Logistics Park Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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





**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. We also draw attention to the 'Emphasis of Matter' paragraph of our Independent Auditor's Report of even date, with regard to COVID-19 assessment made by the company, our opinion is not modified in respect of this matter.



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## Other Matters

Due to the ongoing COVID-19 pandemic and the lockdown/other restrictions imposed by the Government, certain audit processes were carried out based on the remote access of the books of accounts/records and other necessary documents/information made available to us by the management through digital medium.

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

For KGRS & Co  
Chartered Accountants  
Firm Registration No. 310014 F

*P. Dasgupta*



**P. Dasgupta**  
Partner  
Membership No. 303801  
UDIN: 20303801AAAAKJ8663

Place: Kolkata  
Date: June 11, 2020

**Annexure C: General Directions under section 143(5) of the Companies Act, 2013 in respect of Visakhapatnam Port Logistics Park Limited for the financial year 2019-20:**

Sl. No.	Questionnaires	Remarks
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. All Accounting transactions are processed through IT System.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	The Company has availed option of six months moratorium period on repayment of term loan instalments and interest falling due between March 1, 2020 and August 31, 2020 as per RBI notification.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Not Applicable.

**For KGRS & Co**  
Chartered Accountants  
Firm Registration No. 310014E

*P. Dasgupta*  


**P. Dasgupta**  
Partner  
Membership No 303801  
UDIN: 20303801AAAAKJ8663

Place: Kolkata  
Date: June 11, 2020

**Visakhapatnam Port Logistics Park Limited**  
CIN - 163090WB2014G01202678

Balance Sheet as at 31st March, 2020

(₹ in Lakhs)

Particulars		Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>				
1	Non-current assets			
(a)	Property, Plant and Equipment	1	15,873.86	15,651.27
(b)	Right of use assets	2	3,506.17	-
(c)	Capital Work in Progress	3	-	23.12
(d)	Intangible Assets under development		5.00	-
(e)	Other Non-Current Assets		-	4,507.29
	<b>Total Non-Current Assets</b>		<b>20,385.03</b>	<b>21,176.68</b>
2	Current assets			
(a)	Financial Assets			
	(i) Trade Receivables	4	55.05	1.45
	(ii) Cash and Cash Equivalents	5	61.96	50.16
	(iii) Others	6	32.98	48.07
(b)	Non-financial Assets - Others	7	682.70	860.48
	<b>Total Current Assets</b>		<b>832.69</b>	<b>970.16</b>
	<b>TOTAL ASSETS</b>		<b>31,217.72</b>	<b>22,146.84</b>
<b>EQUITY AND LIABILITIES</b>				
1	Equity			
(a)	Equity Share Capital	8	13,506.50	13,506.50
(b)	Other Equity	9	(2,464.83)	(850.05)
	<b>Total Equity</b>		<b>11,041.66</b>	<b>12,656.45</b>
2	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
	(i) Borrowings	10	7,887.05	5,581.78
	(ii) Lease liabilities	11	20.44	-
(b)	Other Non-Current Liabilities		91.01	-
	<b>Total Non-Current Liabilities</b>		<b>7,998.50</b>	<b>5,581.78</b>
	Current liabilities			
(c)	Financial Liabilities			
	(i) Borrowings		230.00	230.00
	(ii) Trade Payables	12	-	-
	(A) Total outstanding dues of micro enterprises and small enterprises		-	-
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		115.48	-
	(iii) Lease liabilities	11	1.98	-
	(iv) Other Financial Liabilities	13	1,875.27	3,641.96
(d)	Non-financial Liabilities - Others	14	13.29	25.10
(e)	Provisions	15	5.47	19.53
	<b>Total Current Liabilities</b>		<b>2,244.52</b>	<b>3,918.61</b>
	<b>Total Liabilities</b>		<b>10,176.05</b>	<b>9,500.39</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,217.73</b>	<b>22,146.84</b>

The Significant Accounting Policies (3) and Notes (11) are integral part of these financial statements. In terms of our Audit Report of even date attached.

For KGRS & CO  
Chartered Accountants  
Firm Registration No. 110014F :

*P Dasgupta*  
(P Dasgupta)  
Partner  
Membership No. 505801



For and on behalf of  
Visakhapatnam Port Logistics Park Limited

*Adhip N Palchaudhuri*  
Adhip N Palchaudhuri  
(DIN: 08695322)  
Director

Romanshastian Louis  
(DIN: 08710802)  
Director

Harinadh J. Polamraju  
(DIN: 07295378)  
Director

Place: Kolkata  
Date: June 11, 2020

**Visakhapatnam Port Logistics Park Limited**

CIN - U63090WB2014GOI202678

**Statement of Profit and Loss for the year ended 31st March, 2020**

(₹ in Lakhs)

	Particulars	Note No.	For the financial year 2019-20	For the financial year 2018-19
	<b>REVENUE</b>			
I	Revenue from Operations	16	468.62	0.54
II	Other Income		2.44	0.66
III	<b>Total Income (I + II)</b>		<b>471.06</b>	<b>1.20</b>
	<b>EXPENSES</b>			
IV	Cost of Material Consumed and Services Rendered	17	92.92	-
	Employee Benefits Expenses	18	89.49	4.45
	Finance Costs	19	682.18	151.96
	Depreciation and Amortization Expenses	20	982.37	359.36
	Administration and Other Expenses	21	228.88	42.03
	<b>Total Expenses (IV)</b>		<b>2,075.84</b>	<b>557.80</b>
V	<b>Profit before tax (III - IV)</b>		<b>(1,604.78)</b>	<b>(556.60)</b>
VI	<b>Tax Expenses:</b>			
	Current Tax		-	-
	Deferred Tax		-	-
VII	<b>Profit/ (Loss) for the year (V - VI)</b>		<b>(1,604.78)</b>	<b>(556.60)</b>
VIII	<b>Other Comprehensive Income for the year</b>			
IX	<b>Total Comprehensive Income for the year (VII + VIII)</b>		<b>(1,604.78)</b>	<b>(556.60)</b>
X	<b>Earnings per equity share (Face Value of Rs. 10/- each)</b>			
	i) Basic (in Rs.)		<b>(1.19)</b>	<b>(0.41)</b>
	ii) Diluted (in Rs.)		<b>(1.19)</b>	<b>(0.41)</b>

The Significant Accounting Policies (I) and Notes (II) are integral part of these Financial Statements.  
In terms of our Audit Report of even date attached

**For KGRS & CO**  
Chartered Accountants  
Firm Registration No. 310014E

*Pareemita Dasgupta*  
(P Dasgupta)  
**Partner**  
Membership No. 303801



For and on behalf of  
**Visakhapatnam Port Logistics Park Limited**

*Adhip N Palchaudhuri*  
Adhip N Palchaudhuri  
(DIN: 08695322)  
**Director**

Romonsebastian Louis  
(DIN: 08710802)  
**Director**

Haranadh L. Polamraju  
(DIN: 07295378)  
**Director**

**Place: Kolkata**  
**Date: June 11, 2020**

**Visakhapatnam Port Logistics Park Limited**  
CIN - U63090WB2014G:01202678

Cash flow statement for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A Cash flow from Operating Activities</b>		
Net Profit / (Loss) before tax	(1,604.78)	(556.60)
Adjustment for -		
Depreciation & Amortisations	982.37	359.26
Interest	682.18	151.96
Provisions	5.47	19.53
<b>Operating Loss before Working Capital Changes</b>	<b>65.24</b>	<b>(25.75)</b>
Adjustment for -		
Current Liabilities	(1,814.40)	(262.03)
Current Assets	135.39	(132.65)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(1,613.77)</b>	<b>(420.43)</b>
<b>B Cash Flow from Investing Activities</b>		
Fixed Assets - Capital Work in Progress	23.12	12,565.49
Purchase of Fixed Assets	(23.49)	(16,115.58)
Addition in Intangible assets under development	(5.00)	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(5.37)</b>	<b>(3,550.09)</b>
<b>C Cash Flow from Financing Activities</b>		
Payment of lease liabilities	(2.15)	-
Proceeds from Borrowings	2,305.27	3,780.09
Interest	(682.18)	(151.96)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>1,620.94</b>	<b>3,628.13</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1.80</b>	<b>(342.39)</b>
Cash & Cash Equivalent - Opening Balance	60.16	402.55
Cash & Cash Equivalent - Closing Balance	61.96	60.16

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

The Significant Accounting Policies (I) and Notes (II) are integral part of these Financial Statements.  
In terms of our Audit Report of even date attached.

**For KGRS & CO**  
Chartered Accountants  
Firm Registration No. 310014E

*Paromita Dasgupta*  
(P Dasgupta)  
**Partner**  
Membership No. 303801



For and on behalf of  
**Visakhapatnam Port Logistics Park Limited**

*Adhip N Palehaudhuri*  
Adhip N Palehaudhuri  
(DIN: 08695322)  
**Director**

Romou Sebastian Louis  
(DIN: 08710802)  
**Director**

Hararadh I. Polamraju  
(DIN: 07295378)  
**Director**

Place: Kolkata  
Date: June 11, 2020

## Visakhapatnam Port Logistics Park Limited

CIN - U63090WB2014GO1202678

### Statement of Changes in Equity as at 31st March, 2020

#### A. Equity Share Capital

Particulars	(₹ in Lakhs)
Balance as at 1st April 2018	13,506.50
Changes in equity share capital during the year	0.00
Balance as at 31st March 2019	13,506.50
Balance as at 1st April 2019	13,506.50
Changes in equity share capital during the year	0.00
Balance as at 31st March 2020	13,506.50

#### B. Other Equity

(₹ in Lakhs)

Particulars	Retained Earnings	Total
Balance as at 1st April 2018	(303.45)	(303.45)
Profit / (Loss) for the FY 2018-19	(556.60)	(556.60)
Balance as at 31st March 2019	(860.05)	(860.05)
Balance as at 1st April 2019	(860.05)	(860.05)
Profit / (Loss) for the FY 2019-20	(1,604.78)	(1,604.78)
Balance as at 31st March 2020	(2,464.83)	(2,464.83)

The Significant Accounting Policies (I) and Notes (II) are integral part of these Financial Statements.  
In terms of our Audit Report of even date attached

**For KGRS & CO**

Chartered Accountants

Firm Registration No. 310014E

*Premjit Dasgupta*



(P Dasgupta)

**Partner**

Membership No. 303801

**Place: Kolkata**

**Date: June 11, 2020**

For and on behalf of

**Visakhapatnam Port Logistics Park Limited**

*Adhip N Palchaudhuri*

Adhip N Palchaudhuri  
(DIN: 08695322)  
**Director**

Romonsbastian Louis  
(DIN: 08710802)  
**Director**

Haranadh I. Polamraju  
(DIN: 07295378)  
**Director**

**I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2020**

**1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS**

**Basis of Preparation**

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 as amended, issued by Ministry of Corporate Affairs ('MCA') and other relevant provisions of the Companies Act, 2013. The Company has uniformly applied the accounting policies during the period presented. These are the Company's first financial statements prepared in accordance with and comply in all material aspects with Indian Accounting Standards (Ind AS). Unless otherwise stated, all amounts are stated in lakhs of Rupees.

The preparation of financial statements requires the use of accounting estimates which, by definition, may or may not equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

The financial statements for the year ended 31st March, 2020 are authorised and approved for issue by the Board of Directors. Amendments to the financial statements are permitted after approval.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared using the accounting policies and measurement basis summarized below.

**2.1 Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities, measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans, plan assets measured at fair value

**2.2 Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

**2.3 Property, plant and equipment (including Capital Work-in-Progress)**

Items of Property, plant and equipment are valued at cost of acquisition inclusive of any other cost attributable to bringing the same to their working condition. Property, plant and equipment manufactured /constructed in house are valued at actual cost of raw materials, conversion cost and other related costs. Carrying value of property, plant & equipment recognised as at 1<sup>st</sup> April 2015 measured as per the previous GAAP.





**I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2020**

For this purpose, cost includes deemed cost which represents the cost of leasehold land having lease tenure over thirty (30) years is amortised over the period of lease. Leases having tenure of thirty (30) years or less are treated as operating lease and disclosed under prepaid expense.

Expenditure incurred during construction of capital projects including related pre-production expenses is treated as Capital Work-in-Progress and in case of transfer of the project to another body, the accounting is done on the basis of terms of transfer.

Machine Spares whose use is irregular re classified as Capital Spares. Such capital spares are capitalised as per Plant, Property & equipment

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within 'other income' or 'other expenses' respectively.

**Depreciation / Amortisation:**

Depreciation on tangible assets is provided on pro-rata basis on the straight-line method over the estimated useful lives of the asset or over the lives of the assets prescribed under Schedule II of the Companies Act, 2013, whichever is lower.

The estimated useful life for various building, property, plant and equipment is given below:

Assets	Years
Plant and Machinery	15.00
Electrical Installations and Equipment	10.00
Furniture & Fittings	10.00
Office Equipment's	5.00
Railways sidings	15.00
Building & Sidings*	30.00
Factory buildings*	30.00
Computers and data processing units	3.00
Mobile Phones and Portable Personal Computers	2.00

\* The estimated useful life of the assets has, however been restricted to the remaining lease period of the land.

The Residual values of all assets are taken as NIL.

**2.4 Intangible Assets**

- Expenditure incurred for acquiring intangible assets like software costing Rs.500,000 and above and license to use software per item of Rs.25,000 and above, from which economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.
- In other cases, the expenditure is charged to revenue in the year in which the expenditure is incurred.



**I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2020**

**2.5 Impairment of Assets**

An assessment is made at each Balance Sheet date to determine whether there is an indication of impairment of the carrying amount of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on appropriate discount factor.

**2.6 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de recognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives which is consistent with the useful lives followed for depreciating Property, Plant and Equipment.

**2.7 Inventories**

- a) Inventories are valued at lower of cost or net realisable value. For this purpose, the basis of ascertainment of cost of the different types of inventories is as under-
- b) Raw materials & trading goods, stores & spare parts and materials for turnkey projects on the basis of weighted average cost.
- c) Work-in-progress on the basis of weighted average cost of raw materials and conversion cost up to the relative stage of completion where it can be reliably estimated.
- d) Finished goods on the basis of weighted average cost of raw materials, conversion cost and other related costs.
- e) Loose Tools are written off over the economic life except items costing up to Rs. 10000/- which are charged off in the year of issue.

**2.8 Financial Instruments**

*Recognition, initial measurement and De recognition*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are de recognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is de recognized when it is extinguished, discharged, cancelled or expires.



**I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2020**

*Classification and subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortised cost
- financial assets at fair value through profit or loss (FVTPL)

All financial assets except for those at FVTPL are subject to review for impairment.

*Amortised cost*

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

A loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. Expected loss on individually significant receivables are considered for impairment when they are past due and based on Company's historical counterparty default rates and forecast of macro-economic factors. Receivables that are not considered to be individually significant are segmented by reference to the industry and region of the counterparty and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counterparty default rates for each identified segment. The Company has a diversified portfolio of trade receivables from its different segments. Every business segment of the Company has calculated provision using a single loss rate for its receivables using its own historical trends and the nature of its receivables. There are no universal expected loss percentages for the Company as a whole. The Company generally consider its receivables as impaired when they are 3 years past due. Considering the historical trends and market information, the Company estimates that the provision computed on its trade receivables is not materially different from the amount computed using Expected credit loss method prescribed under In AS 109. Since the amount of provision is not material for the Company as a whole, no disclosures have been given in respect of Expected credit losses.

Derivative financial instruments are carried at FVTPL.

**2.9 Government grants**

- a) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- b) Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.



I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2020

- c) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### 2.10 Revenue recognition

Revenue is measured as the fair value of consideration received or receivable, excluding Goods & Service Tax.

#### *Services rendered:*

When control over the service rendered in full or part is recognized by the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from rendering the services.

#### **Other income:**

Interest income is recognised on a time proportion using the effective Interest rate method

Dividend from investments in shares on establishment of the Company's right to receive.

### 2.11 Employee benefits

- a) Company's contributions to Provident Fund and Superannuation Fund are charged to Profit and Loss.
- b) Employee benefits in respect of Gratuity, Leave Encashment, Long Service awards are charged to Profit & Loss on the basis of actuarial valuation made at the year end.
- c) Post-retirement medical benefit is also recognized on the basis of actuarial valuation made at the year end.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

### 2.12 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



**I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2020**

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

**2.13 Foreign currency translation**

**a) Functional and presentation currency**

Items included in the financial statements are presented in INR currency, which is the functional and presentation currency of the Company.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

**2.14 Income taxes**

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax asset ('DTA') is recognized for all deductible temporary differences, carry forward of unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be



**I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2020**

available against which deductible temporary difference, and the carry forward of unused tax credits and unused tax losses can be utilized or to the extent of taxable temporary differences except:

- Where the DTA relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit or loss,
- in respect of deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent that, and only to the extent that, it is probable that the temporary difference will reverse in the foreseeable future; and taxable profit will be available against which the temporary difference can be utilized.

This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

**2.15 Provisions, Contingent liabilities and Capital commitments**

- a) Provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provision amount are discounted to their present value where the impact of time value of money is expected to be material.
- b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company.
- c) Capital commitments and Contingent liabilities disclosed are in respect of items which exceed Rs.100,000 in each case.
- d) Contingent liabilities pertaining to various government authorities are considered only on conversion of show cause notices issued by them into demand.

**2.16 Segment reporting**

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

The board of directors assesses the financial performance and position of the Company, and makes strategic decisions and -have identified business segment as its primary segment.



**I. Significant Accounting Policies and other explanatory information to the financial statements  
of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2020**

**2.17 Borrowing Cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other Borrowing Costs are recognised as expense in the period in which they are incurred.

**2.18 Cash Flow Statement**

Cash Flow Statement as per Ind AS -7 is prepared using the direct method whereby profit/loss is adjusted for the effects of transaction of a non –cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**2.19 Prior period Items**

Material prior period items which arise in the current period as a result of error or omission in the preparation of prior periods financial statement are corrected retrospectively in the first set of financial statements approved for issue after their discovery by

- a) Restating the comparative amounts for the prior periods presented in which the error occurred, or
- b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.
- c) Any items exceeding twenty-five lakhs (Rs 25 Lakhs) shall be considered as material prior period item.
- d) Retrospective restatement shall be done to the extent that it is impracticable to determine either the period specific effects or the cumulative effect of the error. When it is impracticable to determine the period specific effects of an error on comparative information for one or more prior periods presented, the company shall restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable (which may be the current period)

**2.20 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, share splits or consideration that have changed the number of equity shares outstanding without a change in corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of dilutive potential equity shares.



**Visakhapatnam Port Logistics Park Limited**  
CIN - U63090WB2014GO1202678

II. Notes forming part of the Financial Statements as at 31st March, 2020

1 :- Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Building & Sidings	Factory Building	Electrical Installation and Equipments	Furniture and Fittings	Office Equipments	Plant & Machineries	Railways sidings	Computers & Data Processing Units	Total
<b>As at 31st March 2019</b>									
<b>Gross carrying amount</b>									
Opening Gross Carrying Amount	902.23	-	4.17	24.36	0.00	-	-	2.38	933.14
Additions during the year	8,960.15	3,746.12	1,116.33	310.09	0.07	1,581.14	401.67	-	16,115.58
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>9,862.38</b>	<b>3,746.12</b>	<b>1,120.50</b>	<b>334.45</b>	<b>0.08</b>	<b>1,581.14</b>	<b>401.67</b>	<b>2.38</b>	<b>17,048.72</b>
<b>Accumulated Depreciation</b>									
Opening Accumulated Depreciation	29.99	-	1.77	4.40	-	-	-	1.93	38.09
Depreciation charge during the year	295.62	59.65	0.86	2.36	0.01	0.58	0.15	0.13	359.36
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>325.62</b>	<b>59.65</b>	<b>2.63</b>	<b>6.76</b>	<b>0.01</b>	<b>0.58</b>	<b>0.15</b>	<b>2.06</b>	<b>397.45</b>
<b>Net Carrying Amount</b>	<b>9,536.76</b>	<b>3,686.47</b>	<b>1,117.87</b>	<b>327.69</b>	<b>0.07</b>	<b>1,580.56</b>	<b>401.53</b>	<b>0.32</b>	<b>16,651.27</b>
<b>As at 31st March 2020</b>									
<b>Gross carrying amount</b>									
Opening Gross Carrying Amount	9,862.38	3,746.12	1,120.50	334.45	0.08	1,581.14	401.67	2.38	17,048.72
Additions during the year	-	-	0.37	-	-	23.12	-	-	23.49
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>9,862.38</b>	<b>3,746.12</b>	<b>1,120.87</b>	<b>334.45</b>	<b>0.08</b>	<b>1,604.26</b>	<b>401.67</b>	<b>2.38</b>	<b>17,072.21</b>
<b>Accumulated Depreciation</b>									
Opening Accumulated Depreciation	325.62	59.65	2.63	6.76	0.01	0.58	0.15	2.06	397.45
Depreciation charge during the year	375.31	145.21	112.45	32.95	0.01	107.91	27.00	0.08	800.91
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>700.93</b>	<b>204.86</b>	<b>115.08</b>	<b>39.71</b>	<b>0.02</b>	<b>108.49</b>	<b>27.15</b>	<b>2.13</b>	<b>1,198.36</b>
<b>Net Carrying Amount</b>	<b>9,161.45</b>	<b>3,541.26</b>	<b>1,005.80</b>	<b>294.75</b>	<b>0.05</b>	<b>1,495.78</b>	<b>374.52</b>	<b>0.25</b>	<b>15,873.86</b>





**Visakhapatnam Port Logistics Park Limited**  
CIN - U63090WB2014GOI202678

**II. Notes forming part of the Financial Statements as at 31st March, 2020**

**2.- Right-of-use assets**

**(i) Transition to Ind AS 116**

Effective 1st April, 2019, the Company has adopted Ind AS 116 "Leases" (the standard) and applied the standard to all applicable lease contracts existing on 1st April, 2019 using the modified retrospective approach. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at/ for the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the erstwhile standard.

**(ii) Amounts recognised in Balance sheet**

Right of Use Assets	(₹ in Lakhs)		
	As at 31 March 2020		
	ROU Land Leasehold	ROU Others	Total
<b>Gross Block</b>			
Balance as at April 1, 2019	24.57	-	24.57
Reclassified on account of adoption of Ind AS 116.*	4,663.06	-	4,663.06
Additions during year	-	-	-
Gross Block as at Mar 31, 2020	4,687.63	-	4,687.63
<b>Accumulated Depreciation</b>			
Balance as at April 1, 2019	-	-	-
Depreciation charge for the year	181.46	-	181.46
Accumulated Depreciation as at March 31, 2020	181.46	-	181.46
<b>Net value of ROU Asset as at March 31, 2020</b>	<b>4,506.17</b>	<b>-</b>	<b>4,506.17</b>

\* Prepaid rent of Rs.4,663.06/- lakhs has been reclassified to right-to-use asset pursuant to transition to Ind AS 116.

**(iii) The following is the break-up of current and non-current lease liabilities as at 31st March, 2020**

Lease liabilities	(₹ in Lakhs)
	As at 31st March 2020
Current	1.98
Non Current	20.44
<b>Total</b>	<b>22.43</b>

The following is the movement in lease liabilities for the year ended 31st March, 2020:

Particulars	(₹ in Lakhs)
	For the financial year 2019-20
Balance at the beginning	24.57
Finance cost accrued during the year	-
Payment of lease liabilities	2.15
Balance at the end	<b>22.43</b>

**(iv) The following are amounts recognised in profit or loss:**

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2020	
	ROU Land Leasehold	Rent
Depreciation expense of Right of Use assets	181.46	-
Interest expense on Lease Liabilities	-	-
Rent expense in term of short term leases	-	-
<b>Total</b>	<b>181.46</b>	<b>-</b>



**Visakhapatnam Port Logistics Park Limited**  
CIN - U63090WB2014GOI202678

**II. Notes forming part of the Financial Statements as at 31st March, 2020**

**3 :- Capital Work-in-Progress**

(i) : Details of Capital Work-in-Progress are as under :

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Capital Work-in-Progress	-	23.12
Pre Production Expenses	-	-
<b>TOTAL</b>	<b>0.00</b>	<b>23.12</b>

(ii) : Movement in Capital Work in Progress are as under :

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Opening Balance as at beginning of the Year	23.12	11,743.82
Add: Capital work done during the Year	-	2,340.35
Add: Transferred from Pre-production Expenses	-	2,051.56
Less: Transferred to Fixed Assets	23.12	16,112.61
Closing Balance as at the end of the year	<b>0.00</b>	<b>23.12</b>

(iii) : Movement in Pre Production Expenses are as under :

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Opening Balance as at beginning of the Year	-	844.79
Add: Expenses incurred during the Year	-	1,206.77
Less: Transferred to Capital Work in Progress	-	(2,051.56)
Closing Balance as at the end of the year	-	<b>(0.00)</b>



## Visakhapatnam Port Logistics Park Limited

CIN - U63090WB2014GOI202678

### II. Notes forming part of the Financial Statements as at 31st March, 2020

#### 4 :- Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered Good - unsecured		
Outstanding for a period exceeding six months	0.42	-
Others	54.62	1.45
<b>Total</b>	<b>55.05</b>	<b>1.45</b>

#### 5 :- Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks		
In Current Account	61.96	60.16
Cash on hand	-	-
<b>Total</b>	<b>61.96</b>	<b>60.16</b>

#### 6:- Current Financial Assets - Others

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security Deposit	32.98	31.50
Advance against Capex	-	16.57
<b>Total</b>	<b>32.98</b>	<b>48.07</b>

#### Non Financial Assets:

#### 7 :- Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory Dues Recoverable	675.89	697.85
Prepaid Rent on Operating lease*	-	160.77
Other Prepaid Expenses	4.04	1.69
Advances to Related Party:		
- Balmer Lawrie & Co Ltd	1.26	-
Sundry expenses recoverable	1.51	0.17
<b>Total</b>	<b>682.70</b>	<b>860.48</b>

\*The lease agreement with Visakhapatnam Port Trust for around 50 acres of land for a period of 30 years was classified as operating lease by the Company as per Ind AS 17. Accordingly the lease premium was classified as prepaid rent on operating lease.

On introduction of single lease accounting model under Ind AS 116, the prepaid rent has been reclassified to right-to-use asset pursuant to transition to Ind AS 116.



**Visakhapatnam Port Logistics Park Limited**  
CIN - U63090WB2014GOI202678

II. Notes forming part of the Financial Statements as at 31st March, 2020

**8 :- Equity Share Capital**

(i) : Details of Authorised Share Capital are as under :

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Authorized:</b>		
14,00,00,000 Equity Shares of Rs. 10/- each	14,000.00	14,000.00
<b>Total</b>	<b>14,000.00</b>	<b>14,000.00</b>

(ii) : Details of Issued, Subscribed and Paid-up Share Capital are as under :

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Issued, Subscribed and Paid-up Share Capital:</b>		
13,50,64,963 Equity Shares of Rs. 10/- each fully paid up	13,506.50	13,506.50
<b>Total</b>	<b>13,506.50</b>	<b>13,506.50</b>

(iii) : Reconciliation of number of shares outstanding at the beginning and end of the reporting year are given below:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Equity Shares at the beginning of the year	13,50,64,963	13,50,64,963
Add : Equity Shares allotted during the year	-	-
Equity Shares at the end of the year	13,50,64,963	13,50,64,963

(iv) Share holding pattern at the beginning and end of the reporting year are given below:

Details of the equity shares Held by Holding company	FY 2019-20		FY 2018-19	
	No of shares	%	No of shares	%
Balmer Lawrie and Company Limited	8,10,38,977	60	8,10,38,977	60
Visakhapatnam Port Trust *	5,40,25,985	40	5,40,25,985	40
Shri Shyam Sundar Khuntia (As nominee of Balmer Lawrie & Co Ltd)	1	0	1	0
	<b>13,50,64,963</b>	<b>100</b>	<b>13,50,64,963</b>	<b>100</b>

\* Represents , 5,40,25,985 Equity shares of face value Rs.10/- each have been issued to Visakhapatnam Port Trust against the consideration for allotment of lease hold land and no further amount is received in cash.

(v) The Company has only one class of shares referred to as equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.



**Visakhapatnam Port Logistics Park Limited**

CIN - U63090WB2014GO1202678

**11. Notes forming part of the Financial Statements as at 31st March, 2020**

**9:- Other Equity**

(i) : Details of Other Equity are as under :

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March, 2019
Retained Earnings / Surplus	(2,464.83)	(860.05)
<b>Total</b>	<b>(2,464.83)</b>	<b>(860.05)</b>

(ii) : Movement in Other Equity are as under :

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March, 2019
Balance at the beginning of the year	(860.05)	(303.45)
Add: Transferred from Statement of Profit & Loss	(1,604.78)	(556.60)
<b>Total Retained Earnings / Surplus</b>	<b>(2,464.83)</b>	<b>(860.05)</b>

**Non Current Financial Liabilities**

**10:- Borrowings**

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March, 2019
<b>Borrowings:</b>		
Term Loan from SBI ₹	7,887.05	5,581.78
	7,887.05	5,581.78

**# Terms & conditions of the term loan from SBI along with security clause :-**

Nature of Facility:	Term Loan
Sanctioned Amount :	Rs.12,500 lakhs
Amount Availed :	Rs. 8,553.72 lakhs
Rate of Interest:	3 months MCLR plus
Nature of Security:	1st charge on the entire fixed assets (present and future) of the Company and equitable mortgage on leasehold right of project land.

‡ The Company has availed the six months moratorium on repayment of term loan instalments and interest falling due between March 1, 2020 and August 31, 2020 as per RBI notification.



**Visakhapatnam Port Logistics Park Limited**

CIN - U63090WB2014GOI202678

**II. Notes forming part of the Financial Statements as at 31st March, 2020**

**11:- Lease Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Right of Use Liability:		
Current lease liability	1.98	-
Non-current lease liability	20.44	-
	<b>22.43</b>	<b>-</b>

**12:- Trade Payables**

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Payable to micro and small enterprises	-	-
Other Trade Payables	115.48	-
	<b>115.48</b>	<b>-</b>

**13:- Current Financial Liabilities - Others**

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March, 2019
Capital Creditors:	418.27	979.19
Payable to Related Party:		
- Balmer Lawrie & Co Ltd	570.11	459.16
- Visakhapatnam Port Trust	2.82	-
Others - Security Deposits / Other Deposit	188.87	1,066.81
Current maturity of long term debt	666.67	965.51
Other Liabilities	26.53	173.29
<b>Total</b>	<b>1,873.27</b>	<b>3,643.95</b>



**Visakhapatnam Port Logistics Park Limited**  
CIN - U63090WB2014GO1202678

**II. Notes forming part of the Financial Statements as at 31st March, 2020**

**Non Financial Liabilities:**

**14:- Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Statutory Remittances	3.50	21.31
Advance from Customers	11.63	-
Other Current Liabilities	3.16	3.79
<b>Total</b>	<b>18.29</b>	<b>25.10</b>

**15:- Current Provisions**

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Audit fee	0.75	0.50
Provision for Employee Benefits	4.72	19.03
<b>Total</b>	<b>5.47</b>	<b>19.53</b>

**II. Notes forming part of Financial Statements for the year ended 31st March, 2020**

**16:- Revenue from operations**

(₹ in Lakhs)

Particulars	For the financial year 2019-20	For the financial year 2018-19
Sale of services		
Storage charges	332.27	0.54
Other service fees	136.35	0.00
<b>Total</b>	<b>468.62</b>	<b>0.54</b>

**17:- Cost of Material Consumed and Services Rendered**

(₹ in Lakhs)

Particulars	For the financial year 2019-20	For the financial year 2018-19
Cost of Material Consumed	0.83	-
Cost of Services Rendered	92.10	-
<b>Total</b>	<b>92.92</b>	<b>0.00</b>



**Visakhapatnam Port Logistics Park Limited**  
CIN - U63090WB2014GO1202678

11. Notes forming part of Financial Statements for the year ended 31st March, 2020

18:- Employee Benefits Expenses

Particulars	(₹ in Lakhs)	
	For the financial year 2019-20	For the financial year 2018-19
Salaries and Wages	77.33	0.49
Contribution to Provident and other Funds	7.39	0.00
Staff Welfare Expenses	4.77	3.96
<b>Total</b>	<b>89.49</b>	<b>4.45</b>

19:- Finance Costs

Particulars	(₹ in Lakhs)	
	For the financial year 2019-20	For the financial year 2018-19
Interest on-secured loan	657.86	151.96
Interest on unsecured loan	24.32	0.00
<b>Total</b>	<b>682.18</b>	<b>151.96</b>

20:- Depreciation and Amortization Expenses

Particulars	(₹ in Lakhs)	
	For the financial year 2019-20	For the financial year 2018-19
Depreciation of property, plant and equipment	800.91	359.36
Depreciation of Right-of-use assets	181.46	-
<b>Total</b>	<b>982.37</b>	<b>359.36</b>

21:- Administration and Other Expenses

Particulars	(₹ in Lakhs)	
	For the financial year 2019-20	For the financial year 2018-19
Repairs & Maintenance		
For Buildings	2.55	0.96
For Plant & Machineries	16.54	1.99
For Others	0.67	0.05
Rent *	2.22	2.55
Rates & Taxes	2.47	0.69
Travelling and Conveyance Expenses	10.48	12.28
Printing and Stationery	1.88	0.81
Postage & Courier Charges	0.35	0.24
Electricity, Water & Gas Charges	127.63	2.80
Office Expenses	6.74	7.83
Insurance	13.83	-
Bank charges	6.05	0.06
Payment to Auditor		
Statutory Audit Fees	0.60	0.50
Tax Audit Fees	0.15	-
For Other Services	0.20	-
Professional & other fees	11.68	2.45
Security service cost	22.78	-
Telephone and Internet Expenses	-	0.01
Vehicles Expenses	-	0.04
Miscellaneous Expenses	2.05	8.77
<b>Total</b>	<b>228.88</b>	<b>42.03</b>

\* Current year rent represents rent on account of short term lease (i.e. less than 12 months).





**Visakhapatnam Port Logistics Park Limited**  
CIN - U63090WB2014GO1202678

22 **Additional Disclosures forming part of Financial Statements for the year ended 31st March, 2020**

22.1 **Company Overview:**

Visakhapatnam Port Logistics Park Limited having its registered office at 21, Netaji Subhas Road, Kolkata 700001 is a private Company incorporated on 24<sup>th</sup> July 2014.

The Company has been formed as a Joint Venture Company (Government Company) having equity participation percentage of 60:40 between Balmor Lawrie & Co Limited and Visakhapatnam Port Trust.

The Company is engaged in setting up, operating and maintaining a Multi Modal Logistics Hub (MMLH) on land provided on lease by Visakhapatnam Port Trust for a period of 30 years.

The project work has been completed in all respect and the commercial activities and invoicing has already commenced during the financial year 2019-20.

22.2 **Financial Risk Management:**

The Company's activities expose it to credit risk, market risk and liquidity risk. The nature relating to these risks are:

**Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to credit risk is primarily from trade receivables and other receivables. The credit risk has been managed based on continuous monitoring of credit worthiness of customers, ability to repay and their past track record.

**Market Risk**

The Company has already started commercial activities and invoicing during the FY 2019-20. Based on its commercial projections and other factors, the Company has adequately assessed commercial viability and addressed market risks.

**Liquidity Risk**

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company aims to maintain the level of its cash and cash equivalents and undrawn term loan limits which can be used in the event of an unforeseen interruption in cash flow. The company does not foresee any problems in discharging their liabilities towards trade payables and other current liabilities as and when they are falling due.

22.3 **Financial instruments by category**

For amortised cost instruments, carrying value represents the best estimate of fair value.

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Financial Assets</b>		
Trade Receivables	55.05	1.45
Cash and Cash Equivalents	61.96	60.16
Others	32.98	48.07
<b>TOTAL</b>	<b>149.99</b>	<b>109.68</b>
<b>Financial liabilities</b>		
Borrowings - Long Term	7,887.05	5,581.78
Lease liabilities	22.43	0.00
Borrowings - Short Term	230.03	230.03
Trade Payables	115.48	0.00
Other financial liabilities	1,873.27	3,643.95
<b>TOTAL</b>	<b>10,128.26</b>	<b>9,455.76</b>

22.4 During the year no short term borrowings (unsecured) has been availed from the Holding Company. Agreed interest rate is 10.5% p.a. The repayment terms of the loan has not yet been determined. Outstanding balance of loan is shown below:

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance of loan	330.03	2,000.00
Add: Fresh borrowing during the year	-	120.00
Less: Repayment of loan during the year	-	1,789.97
<b>Closing balance of loan</b>	<b>230.03</b>	<b>230.03</b>



**Visakhapatnam Port Logistics Park Limited**  
CIN - UG3090WB2014GOI002678

22. Additional Disclosures forming part of Financial Statements for the year ended 31st March, 2020  
22.5 There are no amounts that needs to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act,2006 pertaining to Micro and Small Enterprises as on 31st March 2020.

Name of Related Party	Nature of Relationship
Balmer Lawrie & Co Ltd (CIN: 15492WB1924GOI004835)	Holding Company
Visakhapatnam Port Trust	Significant influence over the entity

22.7 Transactions with Related Party

(₹ in Lakhs)

Type of Transactions	Year Ending	Holding Company	Significant influence over the entity	Total
<b>Transactions during the financial year</b>				
(i) Operation related expenditure to be reimbursed	31-03-2020	68.43	-	68.43
	31-03-2019	265.72	-	265.72
(ii) Purchase of goods	31-03-2020	0.53	-	0.53
	31-03-2019	-	-	-
(iii) Purchase of services	31-03-2020	0.20	2.37	2.57
	31-03-2019	-	-	-
(iv) Unsecured loan taken	31-03-2020	-	-	-
	31-03-2019	120.00	-	120.00
(v) Interest on unsecured loan expenses	31-03-2020	24.31	-	24.31
	31-03-2019	111.82	-	111.82
(vi) Lease rent expenses	31-03-2020	-	2.15	2.15
	31-03-2019	-	2.15	2.15
<b>Balance at the end of financial year</b>				
(vii) Net outstanding payable as on	31-03-2020	453.90	2.82	456.72
	31-03-2019	347.34	-	347.34
(viii) Outstanding loan balance as on	31-03-2020	230.03	-	230.03
	31-03-2019	230.03	-	230.03
(ix) Interest on loan payable as on	31-03-2020	136.20	-	136.20
	31-03-2019	111.88	-	111.88
(x) Advance for goods (net) as on	31-03-2020	1.06	-	1.06
	31-03-2019	-	-	-

Earnings per share	For the financial year 2019-20	For the financial year 2018-19
Net Profit / (Loss) Available for Equity Shareholders (₹ in Lakhs)	(1,601.78)	(556.60)
Weighted Average Number of Shares for Basic Earnings Per Share	13,50,64,963	13,50,64,963
Weighted Average Number of Shares for Diluted Earnings Per Share	13,50,64,963	13,50,64,963
Nominal Value of Shares (Rs. Per Share)	10	10
Basic Earnings Per Share	(1.19)	(0.41)
Diluted Earnings Per Share	(1.19)	(0.41)



**Visakhapatnam Port Logistics Park Limited**  
CIN - U63090WB2014G01202678

22 Additional Disclosures forming part of Financial Statements for the year ended 31st March, 2020

22.9 Impact of COVID-19 pandemic:

The spread of Covid-19 has adversely impacted not just human life, but businesses and financial markets too, the extent of which is currently indeterminate. In response to the pandemic the Government of India had announced a nationwide lockdown on March 24, 2020 in order to contain the pandemic.

The services of the Company have been identified as an Essential Services and have been permitted to operate within the lockdown phases.

The Company has made detailed assessment of its liquidity position for the next few months and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Trade Receivables, as at the Balance sheet date, and based on the internal and external information upto the date of approval of these financial statements including credit reports and economic forecasts has concluded that no material adjustments are required to be made in the financial results.

The management believes that it has considered all the possible impact of known events arising from Covid-19 global health pandemic in the preparation of financial results. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature, extent and duration and the actual impact might differ from the current estimates. As of now the impact assessment is not indicating any adverse impact on the Company's ability to continue as a going concern and its liquidity position.

22.10 Deferred Tax Asset:

During the year, the Company has not recognised deferred tax assets (DTA) on account of unabsorbed depreciation or carry forward of losses under tax laws since Deferred tax asset ('DTA') is recognized for carry forward of unused tax credit and unused tax losses, to the extent the carry forward of unused tax credits and unused tax losses can be utilized.

22.11 Contingent Liability

The company does not have any liability (other than those which has been recognised and provided in the books of accounts) which is contingent in nature as at 31st March 2020.

22.12 Previous year's figures have been re-grouped or re-arranged wherever so required to make them comparable with current year figures.

In terms of our Audit Report of even date attached

For KGRS & CO

Chartered Accountants

Firm Registration No. 310014E

  


(P. Dasgupta)

Partner

Membership No. 303801

For and on behalf of  
Visakhapatnam Port Logistics Park Limited



Adhip N Palchaudhuri  
(DIN: 08695322)

Director

Romosebastian Louis  
(DIN: 08710802)

Director

Haranadh L. Polamraju  
(DIN: 07295378)

Director

Place: Kolkata

Date: June 11, 2020