

**Visakhapatnam Port
Logistics Park Limited**

(Formerly Vizag Logistics Park Limited)

CIN: U63090WB2014GOI202678

**Annual Report
2019-20**

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Chairman's Speech

Dear Members,

It is my pleasure to welcome you to the 6th Annual General Meeting of the Company. We present before you the 6th Annual Report of the Company for the Financial Year 2019-20.

Visakhapatnam Port Logistics Park Limited" (VPLPL) was formed as Joint Venture (JV) in July 2014 between Balmer Lawrie & Co. Ltd. and Visakhapatnam Port Trust (VPT) to build a Multimodal Logistics Hub (MMLH) facility comprising mechanised warehouses, specialised/temperature-controlled storage solutions, facilities for mechanised material handling and inter modal transfer between container terminals, bulk/ break – bulk cargo terminals. This hub provides facility to handle both bonded and non-bonded cargo coupled with offering of value-added services such as customs clearance, sorting/grading/aggregation/disaggregation etc. to handle freight. The unit is also having rail connectivity of 1.30 KM length, where 4 rakes can be handled in a day.

The Company is having equity participation between Balmer Lawrie & Co. Ltd. (BL) and VPT in the ratio of 60:40. Balmer Lawrie & Co. Ltd.'s contribution to equity is in the form of cash while VPT's contribution is in the form of "upfront lease rental for 30 years lease" of approx. 53 acres of land.

The Company has engaged a core and structured sales and operations team for business development and efficient execution. The response from the trade has been positive and we have been able to cater to the customer's requirement by virtue of offering storage facilities in ambient and temperature-controlled warehouses. The unit is witnessing significant business opportunities to cater to the growing demand of steel exports from Visakhapatnam Port Trust for which rail siding facility has come up as a unique selling proposition for the trade.

VPLPL had made an application for grant of CFS license in May 2017 but the same is yet to be granted by Government. BL as well as VPT have made representations through respective parent ministries to the Government that this is not just a CFS but, a MMLH providing various services in one location, thus driving efficiencies in logistics and reducing costs for the trade. Some clarifications were sought by the Government and the same has been provided which is under review.

The Company is in its nascent stage and yet to comply with all the Corporate Governance norms as laid down in DPE Guidelines.

I take this opportunity to thank you and our holding Company, Balmer Lawrie & Co. Ltd. for continued support. I would also thank Visakhapatnam Port Trust for allotment of land on which the said MMLH is being set up. I would also like to convey my gratitude to my colleagues on the Board for their wise counsel and valued involvement.

Adhipnath Palchaudhuri
Director

Date: 11 December 2020

BOARDS' REPORT

To the Members,

The Directors have pleasure in presenting the 6th Report on the operations and results of your Company for the Financial Year ended 31st March, 2020, together with the Audited Financial Statement, Auditor's Report and the Comments of Comptroller & Auditor General of India on the Accounts of the Company and other statements attached thereto.

Overview on the State of the Company's Affairs

"Visakhapatnam Port Logistics Park Limited" (VPLPL) was formed as Joint Venture (JV) in July 2014 between Balmer Lawrie & Co. Ltd. and Visakhapatnam Port Trust (VPT) to build a Multimodal Logistics Hub (MMLH) facility comprising mechanised warehouses, specialised/temperature-controlled storage solutions, facilities for mechanised material handling and inter modal transfer between container terminals, bulk/ break – bulk cargo terminals. This hub provides facility to handle both bonded and non-bonded cargo coupled with offering of value-added services such as customs clearance, sorting/grading/aggregation/disaggregation etc. to handle freight. The unit is also having rail connectivity of 1.30 KM length, where 4 rakes can be handled in a day.

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Financial Summary and Highlights

The year 2019-20 has been difficult for business and economic activity was markedly lower compared to expectations. Manufacturing, Services and EXIM Trade have all suffered from slowdown initially due to General elections and downward spiral of demand thereafter, trade conflict between China and the USA and the severe credit shocks due to failures of institutions such as ILFS, DHFL etc. Just when green shoots of economic recovery were expected to emerge in India, the world has been

hit by its biggest challenge in almost a century through the COVID19 pandemic. Since the onset of Corona crisis in early January, entire Logistics operations have taken a huge hit with imports from China dropping to insignificant levels. Since the beginning of March, situation has become worse with further erosion in the economic activity and now India is grappling with the lockdown which has brought the country to a standstill except for essential goods and services

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 order to contain the pandemic, the Government of India had announced a nationwide lockdown on March 24, 2020.

Annual Financial Results for the year under review, i.e., FY 2019-20 has been furnished below:

	Year ended on 31st March 2020 (Rs. in Lakh)	Year ended on 31st March 2019 (Rs. in Lakh)
Total Income	471.06	1.20
Profit/(Loss) after Tax	(1604.78)	(556.60)

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, plants 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. In view of the economic environment as cited above the company faced hardship in servicing its debt obligation falling due on March 2020 and had therefore availed the moratorium as per RBI guidelines, in respect of repayment of its interest and principal payment of its Term Loan.

Share capital

During the year under review, the Company did not issue any share. The paid-up Equity share capital of the Company as on 31st March 2020 was Rs.135,06,49,630 (Rupees One Hundred and Thirty-Five Crores Six Lakh Forty-Nine Thousand Six Hundred and Thirty only) consisting of 13,50,64,963 (Thirteen Crores Fifty Lakh Sixty-Four Thousand Nine Hundred and Sixty-Three) equity shares of Rs.10 each.

During the year under review, the Company has not issued any shares with differential voting rights nor has granted any stock options or sweat equity shares.

Transfer to Reserve

No amount is proposed to be transferred to reserves for the Financial Year 2019-20.

Dividend

Your Directors have not recommended any dividend for the year ended 31st March, 2020.

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report

No material changes and commitments have occurred after the close of the Financial Year 2019-20 till the date of this Report, which could affect the financial position of the Company except that the Company had made an application for grant of CFS licence in May 2017 and has not yet received the CFS licence till date. This is being regularly followed up at appropriate level by the Company.

Names of companies which have become or ceased to be its subsidiaries, joint venture or associate companies during the year

Your Company has no subsidiary or associate company. Balmer Lawrie & Co. Limited (BL) is the Joint Venture & Holding Company of your Company. As on 31st March, 2020, it was holding 60% shares of the Company and as per the Joint Venture Agreement between BL and VPT, VPT was holds 40% shares of the Company.

Disclosures as per the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

As on 31st March, 2020, the Company had less than 10 employees accordingly the requirement of forming Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 did not arise.

Compliance of Right to Information Act, 2005

Your Company has not received any request for information under Right to Information Act, 2005. The Company does not have any Public Information Officer.

Conservation of Energy, Technology Absorption Foreign Exchange Earnings and Outgo

The following energy conservation techniques have been adopted in the Temperature Controlled Warehouse unit

- a) Screw Compressors: In Refrigeration Plant instead on conventional Reciprocating Compressors, Screw compressor have been installed. These compressors have fully automatic operation and has built-in variable capacity control system from 0-100% step less control whereas reciprocating compressors have got limited step wise control. Screw compressors are highly efficient as they run at about 2950 rpm. Overall, Screw compressor saves a lot of power/energy and gives accurate temperatures for processes due to dual type capacity control. It can be safely assumed that at full load running condition, for screw compressors package saving of electricity/energy will be 9-12%.
- b) VFD: All the motors of the compressor are fed with Variable Frequency Drive (VFD) starter, instead of fixed speed drive which will further reduce consumption of electrical energy.
- c) LED Lighting: Wherever possible LED lights instead of CFL or Incandescent Lights have been used. These LED lights have Efficiency lumen/watt thereby reduces energy consumption in long run.
- d) Inverter Type Split AC: All the Split Ac which have been installed are inverter type which can regulate the speed of its compressor motor as per applied, thereby reducing energy consumption in long run.
- e) APFC Panel: Automatic power factor control panel (APFC) has been installed to improve the power factor, whenever required, by switching ON and OFF the required capacitor bank units automatically. This reduces the loss of energy thereby reducing the overall energy consumption.

There is no Foreign Exchange Earnings and Outgo during the year ended 31st March, 2020.

Risk Management Policy

Since the Company is still in nascent stage, the various risk and mitigation are being identified and the policy in this regard would be adopted in due course. Other aspects of financial risk management are covered under Note 22.2 of Additional disclosures forming part of Financial Statement for the year ended 31st March, 2020.

Corporate Social Responsibility (CSR)

During the Financial Year under review, your Company did not attract the threshold provided u/s 135 of the Companies Act, 2013 read with Rules made thereunder accordingly it was not required to form a CSR Committee and it is not mandatory for the Company to spend any amount on CSR. Further, the Company has not earned profit in last three Financial Years.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability, state that:

- (a) In the preparation of the annual accounts for the Financial Year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the Financial Year as on 31st March, 2020 and of the profit and loss of your Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts for the Financial Year ended 31st March, 2020 on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were generally operating effectively;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board Meetings held during the year

The Board met Four (4) times during the financial year 2019-20 on 22nd April, 2019, 20th May, 2019, 05th September, 2019 and 24th December, 2019. Hence, the intervening gap between any two Board Meetings of the company was within the prescribed period under the Companies Act, 2013. As per MCA General Circular No. 11/2020, the provision of holding meetings of Board of Directors within the intervals as stated under section 173 of the Companies Act 2013 has been relaxed from 120 days to 180 days.

Date	Kalyan Swami-nathan	Manas Kumar Ganguly	Amal Kumar Mehera	Shyam Sundar Khuntia	Haranadh Lakshmi Polamraju
22-04-2019	Present	Present	Present	LOA*	LOA*
20-05-2019	Present	Present	Present	Present	LOA*
05-09-2019	Present	LOA*	Present	LOA*	Present
24-12-2019	Present	Present	Present	Present	LOA*

**LOA means leave of absence.*

Board evaluation and Criteria for evaluation

Your Company being a Government Company, vide Notification No. GSR 463(E) dated 5th June, 2015 as amended by Notification No. GSR 582(E) dated 13th June, 2017 and notification No. GSR 802(E) dated 23rd February, 2018, has been exempted from applicability of section 134(3) (p) and 178(2), (3) and (4) of the Companies Act, 2013.

Directors and Key Managerial personnel (KMP) and Meeting of Board during the year

a) Directors and KMP.

The Board of Directors as on 31st March, 2020 were as follows:

Sl. No.	Name of Director	Designation	Date of Appointment
1	Shri Haranadh Lakshmi Polamraju	Non-Executive Director	20/09/2017
2	Shri Amal Kumar Mehera	Non-Executive Director	20/09/2017
3	Shri Shyam Sundar Khuntia	Non-Executive Director	31/03/2016
4	Shri Adhip Nath Palchaudhuri	Non-Executive Director	01/03/2020
5	Shri Romon Sebastian Louis	Non-Executive Director	01/03/2020

The details pertaining to number of directorships in other Board and membership/ chairmanship across committees of other companies for directors as on the date of notice is attached to the notice of 6th AGM.

Key Managerial Personnel

Your Company is still in nascent stage and is yet to appoint the Key Managerial Personnel (KMP). However, it may be pertinent to mention that the Company being a Government Company, the provisions of sub-sections (1), (2), (3) & (4) of Section 203 of the Companies Act, 2013 does not apply to a MD or CEO or Manager and in their absence a Whole time Director of the Company. The Company has also not been able to appoint Company Secretary, despite steps taken to fill the position.

Details of Directors or KMP who were appointed or have resigned during the year

During the Financial Year 2019-20, Shri Adhip Nath Palchaudhuri, non-executive additional director and Shri Romon Sebastian Louis, non-executive additional director were appointed with effect from 1st March, 2020. Shri Kalyan Swaminathan, Non-Executive Director and Shri Manas Kumar Ganguly Non-Executive Director ceased to be directors of the company w.e.f 1st March, 2020. Resolutions are proposed for appointment of Shri Adhip Nath Palchaudhuri and Shri Romon Sebastian Louis as Directors of the Company at the ensuing AGM.

Shri Sandip Das and Shri Nara Harikrishna Raghupaturuni were appointed as non-executive additional directors of the company during the FY 2020-21. Resolutions are proposed for appointment of Shri Sandip Das and Shri Nara Harikrishna Raghupaturuni as Directors of the Company at the ensuing AGM.

Further, Shri Shyam Sundar Khuntia, Non-Executive Director and Shri Amal Kumar Mehera Non-Executive Director ceased to be directors of the company w.e.f, 30th April, 2020 and 11th June, 2020 respectively.

Statement of declaration by Independent Directors

Your Company is still at a primary stage of business and its core business operation has not started in full-fledged manner. The Company, presently, has no Independent Director on its Board. Hence the declaration is not applicable.

Disclosure:

- a) Details of non-compliance by the company, penalties, strictures imposed on the company by any statutory authority, on any matter related to any guidelines issued by Government, during the last three years. - NIL
- b) Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee. – The matter pertaining to Whistle Blower Policy is discussed elsewhere. The Company does not have an Audit Committee.
- c) Details of Presidential Directives issued by the Central Government and their compliance during the year and also in the last three years.- NIL
- d) Items of expenditure debited in books of accounts, which are not for the purposes of the business. - NIL
- e) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management. -NIL

Form No. AOC 2

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

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

1. Details of contracts and arrangements or transactions not at arm's length basis – NIL
(all the contracts and arrangements or transactions with Related Parties were on arm's length basis)
2. Details of material contracts or arrangement or transactions at arm's length basis –

(a)	(b)	(c)	(d)	(e)	(f)
Name of Related Party and Nature of Relationship	Nature of contracts/ arrangements/ Transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any (Rs. In Lakhs)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Balmer Lawrie & Co. Ltd. Holding Company	Establishment cost for person deputed by Holding company.	Throughout the year	68.43	Approved in meeting on 11 th June 2020 for adoption of Annual Accounts for the year 2019-20.	NA
Balmer Lawrie & Co. Ltd. Holding Company	Purchase of Goods	Temporary	0.53	BOD meeting on 11 th June,2020	NA
Balmer Lawrie & Co. Ltd. Holding Company	Unsecured Loan with Interest	Temporary	24.31	BOD meeting on 11 th June,2020	NA
Balmer Lawrie & Co. Ltd. Holding Company	Purchase of Service	Temporary	0.20	BOD meeting on 11 th June,2020	NA
Visakhapatnam Port Trust, Significant influence over entity	Purchase of Service	Temporary	2.37	BOD meeting on 11 th June,2020	NA
Visakhapatnam Port Trust, Significant influence over entity	Nominal Rent	30 years	2.15	BOD meeting on 11 th June,2020	NA

All contracts or arrangement entered into with Related Parties under Section 188 have been enumerated in detail in Note no. 22.7 forming part of the Financial Statement as on 31st March, 2020.

There are no material significant Related Party Transactions that may have potential conflict with the interest of the company at large.

Justification for entering Related Party Transactions

Transactions with the Related Parties are in compliance with Section 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards. The Company does not have sufficient employees and arrangements or back end support of its report. Your Company is getting support from its Holding company for setting up of the project.

Particulars of Loans, Guarantees or investments under section 186

During the Financial Year 2019-20, no Loan, Guarantee or Investment was made under section 186 of the Companies Act, 2013.

Deposits

Your Company has not accepted any deposits from the public during Financial Year 2019-20.

Details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status and Company's operations in future

No significant or material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status and Company's operations in future.

Vigilance cases

No vigilance cases were reported, disposed-off nor there are any such cases pending during the year.

Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

Cost Records

The requirement of maintenance of cost records is not applicable to the Company.

Auditors & Auditors' Report

a) Statutory Auditor:

Your Company being a Government Company, Statutory Auditors are appointed or reappointed by the Comptroller and Auditor General of India in terms of Section 143(5) of the Companies Act, 2013. However, in terms of section 142(1) of the Companies Act, 2013, the remuneration of the Auditors for the year 2020-21 is to be determined by the members at the ensuing Annual General Meeting.

Qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors and corresponding Management Response:

The Report of the Statutory Auditors on Annual Accounts of your Company for the Financial Year ended 31st March, 2020 does not contain any modified opinion or disclaimer and did not have any financial impact or warrant any change in Financial Statements. However, Auditors Report contained a remark regarding non-appointment of Company Secretary as per the Companies Act, 2013. Report of the Statutory Auditors is attached with the Financial Statement.

Management's response to Auditor's remark - the Company is in its nascent stage and is yet to appoint the Key Managerial Personnel.

Comments of Comptroller & Auditor General of India

The office of the Comptroller & Auditor General of India ('CAG') has decided not to conduct the supplementary audit of the financial statements of the Company for the year ended 31st March, 2020 under section 143(6)(a) of the Act. Comments of the Comptroller & Auditor General of India are attached with the Financial Statement.

b) Secretarial Auditor:

The Company appointed M/s N K & Associates, Practicing Company Secretaries, of 159 Rabindra Sarani, 9th Floor, Kolkata-700007 as Secretarial Auditor in compliance with the provisions of Section 204 of the Companies Act, 2013. The Report of Secretarial Auditor is annexed and marked as "**Annexure 1**". The response of management to the observations, qualification or remarks of the Secretarial Auditors is as under:

Sl. No.	Observation / Comment / Qualification of the Secretarial Auditors	Clarification from the Management
1	The Board of Directors of the Company is not duly constituted	The Company is in its nascent stage and is yet to appoint any whole time directors. However, it may be pertinent to mention that the Company being a Government Company, the provisions of sub-sections (1), (2), (3) & (4) of Section 203 of the Companies Act, 2013 does not apply to a MD or CEO or Manager and in their absence a Whole time Director of the Company.
2.	In terms of Section 203 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, the Company has not appointed Whole time Key Managerial Personnel i.e. (i) Chief Financial Officer and (ii) Company Secretary.	The Company is in its nascent stage and is yet to appoint the Key Managerial Personnel.
3.	In terms of Section 149 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, the Company has not appointed a Woman Director.	The Company is in its nascent stage and is yet to appoint a woman Director.

Adequacy of internal financial controls with respect to Financial Statements

The Company has, in all material respect, an adequate internal financial control system over financial reporting and such internal financial control system over financial reporting were operating effectively as at 31st March, 2020. Further, the Board at its Meeting dated 24th December, 2019 appointed M/s. Laldash & Co., Chartered Accountants as the Internal Auditor of the Company for the Financial Year 2019-20.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 as provided in Section 92 of the Companies Act, 2013 is attached hereto as “**Annexure 2**”.

Appreciation

The Board of Directors would like to express their sincere thanks for the assistance and cooperation received from the Banks, Government Authorities and Shareholders during the year under review. Your Directors also wish to thank all the stakeholders of the Company for reposing their faith, trust and confidence in the Company.

**For and on behalf of the Board of Directors of
Visakhapatnam Port Logistics Park Ltd.**

Shri Adhipnath Palchaudhuri
Director
(DIN 08695322)

Shri Sandip Das
Director
(DIN 08217697)

Place: Kolkata
Dated: 11th December 2020



159, Rabindra Sarani, 9th Floor
Kolkata - 700 007
Phone : +91-33-4601-3950
E-mail : kothari.navin@yahoo.com

MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
VISAKHAPATNAM PORT LOGISTICS PARK LIMITED
21, Netaji Subhas Road
Kolkata –700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Visakhapatnam Port Logistics Park Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the company during the Audit period);

N. K & ASSOCIATES

Continuation Sheet

We have also examined compliance with the applicable clauses of the following:

- (i) The Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations as mentioned in **Annexure "A"**.

We further report that,

The Board of Directors of the Company is not duly constituted.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in cases where the meeting was called at a shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For N. K & Associates
Company Secretaries

Place: Kolkata
Date: 24.11.2020

Navin Kothari
Proprietor
FCS No. 5935
C P No.: 3725
UDIN: F005935B001291571

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A and 'Annexure B' and forms an integral part of this report.

N. K & ASSOCIATES

Continuation Sheet

Annexure "A"

Our observations on Secretarial Audit for the financial year ended 31st March, 2020 are as follows:

1. In terms of Section 203 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, the Company has not appointed whole-time key managerial personnel i.e. (i) Chief Financial Officer and (ii) Company Secretary.

2. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, the Company has not appointed a Woman Director.

N. K & ASSOCIATES

Continuation Sheet

'Annexure B'

To,
The Members
VISAKHAPATNAM PORT LOGISTICS PARK LIMITED
21, Netaji Subhas Road
Kolkata –700001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion. Further, due to current pandemic situation we had limited scope of audit.
3. In view of financial records and books of accounts being subjected to audit by the Statutory Auditor and C&AG Auditor and relying on the reports submitted by the above agencies from time to time, We have not separately verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For N. K & Associates
Company Secretaries

Place: Kolkata
Date: 24.11.2020

Navin Kothari
Proprietor
FCS No. 5935
C P No.: 3725

UDIN: F005935B001291571

Form No.MGT-9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31
MARCH 2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U63090WB2014GOI202678
ii.	Registration Date	24 th July, 2014
iii.	Name of the Company	Visakhapatnam Port Logistics Park Limited (Formerly Vizag Logistics Park Limited)
iv.	Category/Sub-Category of the Company	Public Company Limited by shares A Union Government Company
v.	Address of the Registered office and contact details	21 Netaji Subhas Road Kolkata – 700001. Ph: 033 2222 5481 e-mail: palchaudhuri.an@balmerlawrie.com
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

There is no business activities contributing 10% or more of the total turnover of the Company.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Storage charges	63021, 63022, 63023	70.90%
2	Other Service Fees	63011	29.10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Balmer Lawrie & Co. Ltd. 21 Netaji Subhas Road, Kolkata – 700 001.	L15492WB1924GOI004835	Holding Company	60%	2 (46)
2.	Balmer Lawrie Investments Ltd. 21 Netaji Subhas Road, Kolkata – 700 001.	L65999WB2001GOI093759	Holding Company of Balmer Lawrie & Co. Ltd.	61.8%	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	13,50,64,962	13,50,64,962	100	-	13,50,64,962	13,50,64,962	100	0%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1): -	-	13,50,64,962	13,50,64,962	100	-	13,50,64,962	13,50,64,962	100	0%
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	13,50,64,962	13,50,64,962	100	-	13,50,64,962	13,50,64,962	100	0%

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian									
(ii) Overseas									
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	1	1	0	-	1	1	0	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	1	1	0	-	1	1	0	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	13,50,64,963	13,50,64,963	100	-	13,50,64,963	13,50,64,963	100	0%

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in sharehold ing during the year
		No. of Shares	% of total Shares of the compa	%of Shares Pledged/ encumb ered to	No. of Shares	% of total Shares of the compan	%of Shares Pledged / encumbe red to	
1.	Balmer Lawrie & Co. Ltd.	810,38,978*	60	-	810,38,978*	60	-	-
2.	Visakhapatna m Port Trust	54,025,985	40		54,025,985	40	-	-
	Total	13,50,64,963	100	-	13,50,64,963	100	-	-

**Including 1 (One) share held by Shri Shyam Sundar Khuntia as Nominee of Balmer Lawrie & Co. Ltd.*

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year (01.04.2019)		Transactions during the year		Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of shares	% of total shares of the company	Date of transaction	No. of shares	No. of shares	% of total shares of the company
1.	Balmer Lawrie & Co. Ltd.						
	At the beginning of the year	8,10,38,978*	60.00	No change	No change	8,10,38,978*	60.00
	At the End of the year	8,10,38,978*	60.00	No change	No change	8,10,38,978*	60.00
2.	Visakhapatnam Port Trust						
	At the beginning of the year	54,025,985	40.00	No change	No change	54,025,985	40.00

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Sr. No.		Shareholding at the beginning of the year (01.04.2019)		Transactions during the year		Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of shares	% of total shares of the company	Date of transaction	No. of shares	No. of shares	% of total shares of the company
1.	Balmer Lawrie & Co. Ltd.						
	At the End of the year	54,025,985	40.00	No change	No change	54,025,985	40.00

**Including 1 (One) share held by Shri Shyam Sundar Khuntia as Nominee of Balmer Lawrie & Co. Ltd.*

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	N.A.				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the

			Company		Company
1.	Shri Shyam Sundar Khuntia				
	At the beginning of the year	1*	0.000	1*	0.000
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	1*	0.000	1*	0.000

* 1 (One) share is held by Shri Shyam Sundar Khuntia as nominee of Balmer Lawrie & Co. Ltd.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (Rs.in Lakhs)	Unsecured Loans (Rs. In Lakhs)	Deposits (Rs.in Lakhs)	Total Indebtedness (Rs. In Lakhs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	6501.80	230.03		6731.83
ii) Interest due but not paid	45.50	111.88		157.38
iii) Interest accrued but				

	Secured Loans excluding deposits (Rs.in Lakhs)	Unsecured Loans (Rs. In Lakhs)	Deposits (Rs.in Lakhs)	Total Indebtedness (Rs. In Lakhs)
not due				
Total (i+ii+iii)	6547.30	341.91		6889.21
Change in Indebtedness during the financial year				
- Addition	1949.63			1949.63
- Reduction				
Net Change	1949.63			1949.63
Indebtedness at the end of the financial year				
i) Principal Amount	8496.93	230.03		8726.96
ii) Interest due but not paid	56.79	136.20		192.99
iii) Interest accrued but not due				
Total (i+ii+iii)	8553.72	366.23		8919.95

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:- NIL

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
1.	Gross salary				
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	NA	NA	NA	NIL
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961				NIL
	(c)Profits in lieu of salary u/s 17(3) Income- tax Act, 1961				NIL
2.	Stock Option	-	-	-	NIL

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Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
3.	Sweat Equity	-	-	-	NIL
4.	Commission - as % of profit - others, specify...	-	-	-	NIL
5.	Others, please specify	-	-	-	NIL
6.	Total(A)	NIL	NIL	NIL	NIL
	Ceiling as per the Act	5% of Net Profit	5% of Net Profit	5% of Net Profit	11% of Net Profit

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rs.)
		NA	NA	NA	NA	NA	(Rs.) NIL
	<u>Independent Directors</u> - Fee for attending Board & committee meetings - Commission - Others, please specify						
	Total(1)	NIL	NIL	NIL	NIL	NIL	NIL
	Other Non-Executive Directors	Shri Haranadh Lakshmi Polamraju	Shri Shyam Sundar Khuntia	Shri Amal Kumar Mehera	Shri Adhip Nath Palchadhuri	Shri Romonse bastian Louis	(Rs.)
	- Fee for attending Board & committee meetings - Commission - Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total(2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total(B)=(1+2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	3% of Net Profit	3% of Net Profit	3% of Net Profit	3% of Net Profit	3% of Net Profit	11% of Net Profit

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:- NIL

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO (Rs.)	Company Secretary (Rs.)	CFO (Rs.)	Total (Rs.)
1.	Gross salary				
	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	NA	NA	NIL
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NA	NIL
	(c)Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	NA	NA	NA	NIL
2.	Stock Option	NA	NA	NA	NIL
3.	Sweat Equity	NA	NA	NA	NIL
4.	Commission				
	- as % of profit - others, specify...	NA	NA	NA	NIL
5.	Others, please specify	NA	NA	NA	NIL
6.	Total	NA	NA	NA	NA

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made. If any (give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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 31st 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.

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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 Matter

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 this matter.

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

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

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the effect of any identified misstatements in the financial statements.

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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(E) 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

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financial position in its financial statements. Refer Note No 22.11.

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2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



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

Place: Kolkata
Date:

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

SIGNED FOR IDENTIFICATION



P. Dasgupta
Partner
Membership No 303801
UDIN:

Place: Kolkata
Date:

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 these matters.

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

SIGNED FOR IDENTIFICATION



P. Dasgupta
Partner
Membership No. 303801
UDIN:

Place: Kolkata
Date:

KGRS & CO

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 wavier/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

SIGNED FOR IDENTIFICATION



P. Dasgupta
Partner
Membership No 303801
UDIN:

Place: Kolkata
Date:

Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678

Balance Sheet as on 31st March 2020

(₹ in Lakhs)

	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
	ASSETS			
1	Non-current assets			
(a)	Property, Plant and Equipment	1	15,873.86	16,651.27
(b)	Right-of-use assets	2	4,506.17	-
(c)	Capital Work in Progress	3	-	23.12
(d)	Intangible Assets under development		5.00	-
(e)	Other Non-Current Assets		-	4,502.29
	Total Non-Current Assets		20,385.03	21,176.68
2	Current assets			
(a)	Financial Assets			
	i) Trade Receivables	4	55.05	1.45
	ii) Cash and Cash Equivalents	5	61.96	60.16
	iii) Others	6	32.98	48.07
(b)	Non Financial Assets - Others	7	682.70	860.48
	Total Current Assets		832.69	970.16
	TOTAL ASSETS		21,217.72	22,146.84
	EQUITY AND LIABILITIES			
1	Equity			
(a)	Equity Share Capital	8	13,506.50	13,506.50
(b)	Other Equity	9	(2,464.83)	(860.05)
	Total Equity		11,041.67	12,646.46
2	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
	i) Borrowings	10	7,887.05	5,581.78
	ii) Lease liabilities	11	20.44	-
	Other Non-Current Liabilities		24.04	-
	Total Non-Current Liabilities		7,931.53	5,581.78
	Current liabilities			
(b)	Financial Liabilities			
	i) Borrowings		230.03	230.03
	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	1,873.27	3,643.95
(c)	Non Financial Liabilities - Others	14	18.29	25.10
(d)	Provisions	15	5.47	19.53
	Total Current Liabilities		2,244.52	3,918.61
	Total Liabilities		10,176.05	9,500.39
	TOTAL EQUITY AND LIABILITIES		21,217.72	22,146.84

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

(P Dasgupta)

Partner

Membership No. 303801

Place: Kolkata

Date:

For and on behalf of

Visakhapatnam Port Logistics Park Limited

Adhip N Palchadhuri
(DIN: 08695322)

Director

Romonsebastian Louis
(DIN: 08710802)

Director

Haranadh L Polamraju
(DIN: 07295378)

Director

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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
	REVENUE			
I	Revenue from Operations	16	468.62	0.54
II	Other Income		2.44	0.66
III	Total Income (I + II)		471.06	1.20
	EXPENSES			
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
	Total Expenses (IV)		2,075.84	557.80
V	Profit before tax (III - IV)		(1,604.78)	(556.60)
VI	Tax Expenses:			
	Current Tax		-	-
	Deferred Tax		-	-
VII	Profit/ (Loss) for the year (V - VI)		(1,604.78)	(556.60)
VIII	Other Comprehensive Income for the year			
IX	Total Comprehensive Income for the year (VII + VIII)		(1,604.78)	(556.60)
X	Earnings per equity share (Face Value of Rs. 10/- each)			
	i) Basic (in Rs.)		(1.19)	(0.41)
	ii) Diluted (in Rs.)		(1.19)	(0.41)

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

For and on behalf of
Visakhapatnam Port Logistics Park Limited

Adhip N Palchaudhuri
(DIN: 08695322)
Director

Romonsebastian Louis
(DIN: 08710802)
Director

(P Dasgupta)
Partner
Membership No. 303801

Haranadh L Polamraju
(DIN: 07295378)
Director

SIGNED FOR IDENTIFICATION



Place: Kolkata
Date:

Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678

Cash flow statement for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
A Cash flow from Operating Activities		
Net Profit / (Loss) before tax	(1,604.78)	(556.60)
Adjustment for -		
Depreciation & Amortisations	982.37	359.36
Interest	682.18	151.96
Provisions	5.47	19.53
Operating Loss before Working Capital Changes	65.23	(25.75)
Adjustment for -		
Current Liabilities	(1,814.38)	(262.03)
Current Assets	135.39	(132.65)
NET CASH FROM OPERATING ACTIVITIES	(1,613.76)	(420.43)
B Cash Flow from Investing Activities		
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)	-
NET CASH FROM INVESTING ACTIVITIES	(5.37)	(3,550.09)
C Cash Flow from Financing Activities		
Payment of lease liabilities	(2.15)	-
Proceeds from Borrowings	2,305.27	3,780.09
Interest	(682.18)	(151.96)
NET CASH FROM FINANCING ACTIVITIES	1,620.94	3,628.13
Net Changes in Cash & Cash Equivalents (A+B+C)	1.80	(342.39)
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

For and on behalf of
Visakhapatnam Port Logistics Park Limited

(P Dasgupta)
Partner
Membership No. 303801

Adhip N Palchaudhuri
(DIN: 08695322)
Director

Romonsebastian Louis
(DIN: 08710802)
Director

Haranadh L Polamraju
(DIN: 07295378)
Director

SIGNED FOR IDENTIFICATION



Place: Kolkata
Date:

Visakhapatnam Port Logistics Park Limited

CIN - U63090WB2014GOI202678

Statement of Changes in Equity for the year ended 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

(P Dasgupta)

Partner

Membership No. 303801

Place: Kolkata

Date:

For and on behalf of

Visakhapatnam Port Logistics Park Limited

Adhip N Palchaudhuri
(DIN: 08695322)

Director

Romonsebastian Louis
(DIN: 08710802)

Director

Haranadh L Polamraju
(DIN: 07295378)

Director

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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.

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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

2.3 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 1st April 2015 measured as per the previous GAAP.

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:

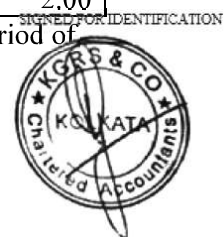
Assets	Years
Plant and Machinery	15.00
Electrical Installations and Equipment	10.00
Furniture & Fittings	10.00
Office Equipment's	5.00
Railways sidings	15.00
Building & Sidings*	30.00
Factory buildings*	30.00
Computers and data processing units	3.00
Mobile Phones and Portable Personal Computers	2.00

* 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

- a) 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



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

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.

- b) In other cases, the expenditure is charged to revenue in the year in which the expenditure is incurred.

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

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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

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.

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

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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

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.
- 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.

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) 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.

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

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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

2.13 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 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.

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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

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.

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.

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

2.18 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.

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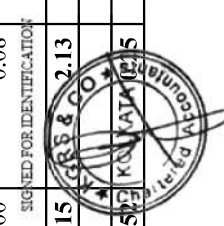
Visakhapatnam Port Logistics Park Limited

CIN - U63090WB2014GOI202678

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

I :- Property, Plant and Equipment

Particulars	Building & Sidings	Factory Building	Electrical Installation and Equipments	Furniture and Fittings	Office Equipments	Plant & Machineries	Railways sidings	Computers & Data Processing Units	Total	
										(₹ in Lakhs)
Year ended 31st March 2019										
Gross carrying amount										
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	-	-	-	-	-	-	-	-	-	
Closing 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	
Accumulated Depreciation										
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	-	-	-	-	-	-	-	-	-	
Closing Accumulated Depreciation	325.62	59.65	2.63	6.76	0.01	0.58	0.15	2.06	397.45	
Net Carrying Amount	9,536.76	3,686.47	1,117.87	327.69	0.07	1,580.56	401.53	0.32	16,651.27	
Year ended 31st March 2020										
Gross carrying amount										
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	-	-	-	-	-	-	-	-	-	
Closing Gross Carrying Amount	9,862.38	3,746.12	1,120.87	334.45	0.08	1,604.26	401.67	2.38	17,072.21	
Accumulated Depreciation										
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	-	-	-	-	-	-	-	-	-	
Closing Accumulated Depreciation	700.93	204.86	115.08	39.71	0.02	108.49	27.15	2.13	1,198.36	
Net Carrying Amount	9,161.45	3,541.26	1,005.80	294.75	0.05	1,495.78	374.52	0.25	15,873.86	



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

(₹ in Lakhs)

Right of Use Assets	As at 31 March 2020		
	ROU Land Leasehold	ROU Others	Total
Gross Block			
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
Accumulated Depreciation			
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
Net value of ROU Asset as at March 31, 2020	4,506.17	-	4,506.17

* 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 March 31, 2020

(₹ in Lakhs)

Lease liabilities	As at 31st March 2020
Current	1.98
Non Current	20.44
Total	22.43

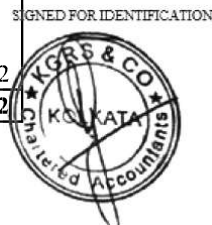
The following is the movement in lease liabilities during the year ended March 31, 2020:

(₹ in Lakhs)

Particulars	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	22.43

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

Particulars	For the year ended 31 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	-	2.22
Total	181.46	2.22



Visakhapatnam Port Logistics Park Limited

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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 :

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Capital Work-in-Progress	-	23.12
Pre Production Expenses	-	-
TOTAL	0.00	23.12

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

Particulars	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	0.00	23.12

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

Particulars	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	-	(0.00)

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Visakhapatnam Port Logistics Park Limited
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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
Total	55.05	1.45

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	-	-
Total	61.96	60.16

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
Total	32.98	48.07

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*	0.00	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
Total	682.70	860.48

*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

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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 :

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Authorized:		
14,00,00,000 Equity Shares of Rs. 10/- each	14,000.00	14,000.00
Total	14,000.00	14,000.00

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

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

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

Particulars	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	2019-20		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
	13,50,64,963	100	13,50,64,963	100

* 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.

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Visakhapatnam Port Logistics Park Limited

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II. 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)
Total	(2,464.83)	(860.05)

(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)
Total Retained Earnings / Surplus	(2,464.83)	(860.05)

Non Current Financial Liabilities

10:- Borrowings

	(₹ in Lakhs)	
Particulars	As at 31st March 2020	As at 31st March 2019
Borrowings:		
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.

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Visakhapatnam Port Logistics Park Limited

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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	-
	22.43	-

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	-
	115.48	-

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
Total	1,873.27	3,643.95

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Visakhapatnam Port Logistics Park Limited

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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
Total	18.29	25.10

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
Total	5.47	19.53

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
Total	468.62	0.54

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	-
Total	92.92	0.00

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Visakhapatnam Port Logistics Park Limited
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II. 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
Total	89.49	4.45

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
Total	682.18	151.96

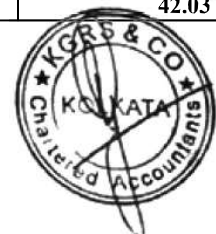
20:- Depreciation and Amortization Expenses

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	-
Total	982.37	359.36

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
Total	228.88	42.03

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



Visakhapatnam Port Logistics Park Limited

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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 24th July 2014.

The Company has been formed as a Joint Venture Company (Government Company) having equity participation percentage of 60:40 between Balmer 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 note 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

(₹ in Lakhs)

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

Particulars	31-Mar-20	31-Mar-19
Financial Assets		
Trade Receivables	55.05	1.45
Cash and Cash Equivalents	61.96	60.16
Others	32.98	48.07
TOTAL	149.99	109.69
Financial liabilities		
Borrowings - Long Term	7,931.53	5,581.78
Borrowings - Short Term	230.03	230.03
Other financial liabilities	1,873.27	3,643.95
TOTAL	10,034.83	9,455.75

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:

Particulars	31-Mar-20	31-Mar-19
Opening balance of loan	230.03	2,000.00
Add: Fresh borrowing during the year	-	120.00
Less: Repayment of loan during the year	-	1,889.97
Closing balance of loan	230.03	230.03

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Visakhapatnam Port Logistics Park Limited

CIN - U63090WB2214GOI222678

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
Transactions during the financial year				
(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
Balance at the end of financial year				
(vii) Net outstanding payable as on	31-03-2020	433.90	2.82	436.72
	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	-	-	-

22.8

Earnings per share	For the financial year 2019-20	For the financial year 2018-19
Net Profit / (Loss) Available for Equity Shareholders (₹ in Lakhs)	(1,604.78)	(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)

SIGNED FOR IDENTIFICATION



Visakhapatnam Port Logistics Park Limited

CIN - U63090WB2214GOI222678

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 on 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

Place: Kolkata

Date:

For and on behalf of

Visakhapatnam Port Logistics Park Limited

Adhip N Palchaudhuri

(DIN: 08695322)

Director

Romonsebastian Louis

(DIN: 08710802)

Director

Haranadh L Polamraju

(DIN: 07295378)

Director

SIGNED FOR IDENTIFICATION





महानिदेशक लेखापरीक्षा (खान), का कार्यालय,
1, काउंसिल हाउस स्ट्रीट, कोलकाता -700 001

OFFICE OF THE
DIRECTOR GENERAL OF AUDIT (MINES),
1, COUNCIL HOUSE STREET,
KOLKATA-700 001

दिनांक/ Dated...11.11.2020 A.I.I.G. 2020

सेवा में,
The Director,
Visakhapatnam Port Logistics Park Limited,
21, Netaji Subhas Road,
Kolkata-700 001


विषय: कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अधीन Visakhapatnam Port Logistics Park Limited के वर्ष 2019-20 के लेखों पर भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणीयाँ।

महोदय,

कम्पनी अधिनियम विधि 2013 की धारा 143(6) (b) के अन्तर्गत 31 मार्च की समाप्त वर्ष 2019-20 के लिए Visakhapatnam Port Logistics Park Limited की लेखों पर भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणीयाँ प्रेषित की जाती हैं।

कृपया इस पत्र की पावती भेजे।

अनु यथोपरि।

भवदीया

(सुपर्णा देब)
11/11/2020
महानिदेशक लेखापरीक्षा (खान)
कोलकाता

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF VISAKHAPATNAM PORT LOGISTICS PARK
LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

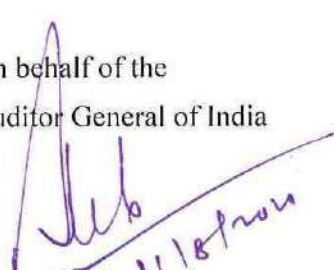
The preparation of financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2020 under section 143 (6)(a) of the Act.

Place: Kolkata

Date: 11 1 AUG 2020

For and on behalf of the
Comptroller & Auditor General of India


(Suparna Deb) 11/8/2020
Director General of Audit (Mines)
KOLKATA