



VISAKHAPATNAM PORT LOGISTICS PARK LTD

A Balmer Lawrie-Visakhapatnam Port Trust JV

CIN: U63090WB2014GOI202678

Annual Report 2021-22

Board of Directors

Sri Adhip Nath Palchaudhuri
Sri Sandip Das
Sri Romon Sebastian Louis
Sri Durgesh Kumar Dubey
Sri Venu Prasad Ambata

Audit Committee

Sri Sandip Das, Chairman
Sri Adhip Nath Palchaudhuri
Sri Venu Prasad Ambata

Bankers

State Bank of India

Statutory Auditors

ADR & Associates
Chartered Accountants

Internal Auditors

Laldash & Co.
Chartered Accountants

Secretarial Auditors

N K & Associates
Company Secretaries

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VISION

'To be a leading corporate entity in the field of logistics solutions working hand in hand with its joint venture partners.'

MISSION

'To consistently grow in the chosen business segment thereby adding values to its stakeholders keeping in mind the social and environmental responsibilities.'

Chairman's Address

Dear Shareholders,

The world is traversing through a very challenging journey due to post COVID complications coupled with long drawn disputes between Russia and Ukraine. In such a volatile global environment, India demonstrated admirable resilience and achieved robust recovery driven by the Government's proactive policy measures. Notwithstanding the global headwinds, the promise of the India story is still intact and the economy is poised to remain one of the fastest growing in the world.

We have noticed that Pandemic brought significant changes in the corporate landscape and have compelled many companies and individuals to reinvent themselves to remain relevant. The traditional logistics industry, for instance, which was pretty unorganised until half a decade back, is now witnessing a significant shift towards digitisation and contactless operations. Many customers that traditionally operated offline went online, there is a huge explosion of Direct-to-consume (D2C) brands seeking to bring the very best of "Made in India" products directly to the customer's doorstep.

The logistics business will witness a considerable growth, since the focus will progressively be on the entire supply chain of doorstep delivery. There will be specific thrust on warehousing and packaging to enable the smooth flow of goods.

Your Company is focused on different modes of warehousing of cargos. It has open yard, which is suitable for all types of cargos, covered warehouses with and without temperature controlled facilities suiting the needs of the cargos and railway sidings to cater the smooth movement of the cargos along a 1.35 km railway track.

I would now like to deliberate on the performances of our various business segments during the financial year 2021-22:

Open Yard

There was a significant increase in demand of our open yard due to location advantage coupled with our modern operational solution of handling cargo. Out of 11.22 lacs MT of Steel exports via Visakhapatnam Port, this business segment had handled 2.60 lacs MT. There is possibility of further increase in Steel exports which will obviously pose a great opportunity of a tremendous growth of our open yard business segment. It has generated a revenue of Rs.649 lacs as against revenue of Rs. 427 lacs generated during the previous financial year 2020-21 with an average capacity utilization of 40% as against 20%, during the previous financial year 2020-21.

Closed Warehouse

This mechanised warehousing facility is covering around 2.5 acres with an installed capacity of 1,16,650 sq. ft. This business segment has witnessed a tremendous growth of 69% by generating a revenue of Rs.326 lacs as against revenue of Rs. 194 lacs generated during the previous financial year 2020-21 with an increase in its average capacity utilization from 67% to 97% as compared between the two financial years.

Temperature Controlled Warehouse

This facility is equipped with frozen & chilled chambers with a capacity of handling 3,780 pallets at a time. Our TCW business segment was utilized to the extent of 95% of its installed capacity for storing marine products, vegetables and fruits. This business segment generated a revenue of Rs. 336 lacs as against a revenue of Rs. 220 lacs generated during the previous financial year 2020-21. There is a possibility of more growth in organized food retail, more demand of the processed food and healthcare products and due to which vegetables, fruits, processed foods, vaccines, will have to be stored in a temperature controlled environment, which will eventually bring more stability and growth of this particular business segment.

Railway Siding Facility

Due to increase of Steel and Aluminium exports from Visakhapatnam Port, our railway siding facility was able handle 123 rakes during the financial year 2021-22 thereby generating a revenue of Rs.84 lacs, as against a revenue of Rs. 89 lacs generated during the previous financial year 2020-21. There is a possibility of further increase in Steel exports and Agri products, whereby we are expecting a rise in the number of rakes to be handled during the current financial year 2022-23.

During the financial year 2021-22, the turnover of your company was Rs. 1395 lacs as compared to Rs. 930 lacs earned during the previous financial year, giving a jump of 50%, but your Company ended the year with a loss due to finance cost and depreciation.

It was informed to the shareholders earlier that your company despite having adequate CFS/ICD infrastructure is not able to handle EXIM cargo due to non-receipt of CFS/ICD license from the appropriate authority, due to which your company is yet to reach its overall projected operations. The Ministry of Finance, vide its circular no. 50/2020 dated 5th November 2020 had brought out a new policy and procedures, for setting up of the new CFS/ICD. Your Company based on the aforesaid circular had re-applied in the last year for its CFS license. Our Hon'ble Prime Minister had launched in October 2021, Gati Shakti National Master Plan, which is a transformative approach driven by 7 (seven) engines, which includes growth in Port activities, for economic and sustainable development.

The planned activities aims to develop cargo terminals with multi-modal mode of transportation. Since the company's existing logistics facilities fit perfectly the thought process of Gati Shakti, let us hope to get the CFS license within the current financial year.

The State Bank of India on 1st June 2021, had re-structured our Term loan under the Reserve Bank of India's resolution framework for COVID-19 related stress, whereby the tenure of repayment of the Term Loan of Rs. 88.39 crore was increased from 7 years to 9 years, including moratorium of 24 months and such repayment will commence from 30th September 2022. The six months interest covering the period from September 2020 to February 2021, amounting to Rs. 3.12 crore was converted into Funded Interest Term loan, which under the re-structured loan has to be paid in 8 quarterly instalments, which had already commenced from 30th June 2021. The Company is catering to the terms of the restructured loan by paying the quarterly instalments within stipulated period.

I, on behalf of the Board, acknowledge the continued support and guidance of our joint venture partners, i.e., Balmer Lawrie & Co. Ltd. and Visakhapatnam Port Authority, our Administrative Ministry, i.e., the Ministry of Petroleum & Natural Gas, Government of India and other the Ministries of the Government of India.

I would also like to thank my colleagues on the Board for their valued opinion and involvement.

Adhip Nath Palchaudhuri

Director

Date: 12th August 2022

NOTICE

To the Members

NOTICE is hereby given that the 8th Annual General Meeting of the Members of Visakhapatnam Port Logistics Park Ltd. will be held on Wednesday, 7th September 2022, at 12.00 p.m., through Video Conference/ Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS

- 1 To consider and adopt the Audited Annual Financial Statement, of the Company for the financial year ended 31st March 2022 and the Reports of the Board of Directors and the Auditors thereon, together with the comments of the Comptroller & Auditor General of India (CAG) and in this connection to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Annual Financial Statement, of the Company for the financial year ended 31st March 2022 and the Reports of the Board of Directors and the Auditors thereon, together with the comments of the Comptroller & Auditor General of India (CAG), be and is hereby considered and adopted.”

- 2 To appoint a Director in place of Sri Sandip Das (DIN: 08217697), who retires by rotation and being eligible, offers himself for re-appointment and in this connection to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Sri Sandip Das (DIN: 08217697), who retires by rotation and being eligible, offered himself for re-appointment, be and is hereby re-appointed a Director of the Company, whose period of office shall be subject to retirement by rotation.”

- 3 To appoint a Director in place of Sri Romon Sebastian Louis (DIN: 08710802), who retires by rotation and being eligible, offers himself for re-appointment and in this connection to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Sri Romon Sebastian Louis (DIN: 08710802), who retires by rotation and being eligible, offered himself for re-appointment, be and is hereby re-appointed a Director of the Company, whose period of office shall be subject to retirement by rotation.”

- 4 To fix remuneration of the Statutory Auditors and to pass, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 142 and other applicable provisions of the Companies Act, 2013, the Board of Directors be and is hereby authorized to determine the amount of remuneration payable to the Statutory Auditors to be appointed under Section 139(5) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 by the Comptroller & Auditor General of India, including reimbursement of out-of-pocket expenses, if incurred by the said Auditors in connection with the audit of the annual Financial Statement of the Company for the financial year 2022-23.”

**By Order of the Board
Visakhapatnam Port Logistics Park Ltd.**

**Place: Kolkata
Date: 12th August 2022**

**Adhip Nath Palchaudhuri
Director
DIN: 08695322**

NOTES:

1. The Ministry of Corporate Affairs, vide its General Circular no. 02/2022 has allowed the Companies to hold their Annual General Meeting ('AGM', which are due in the year 2022) on or before 31st December 2022, through VC/OAVM facility by following the requirements laid down in Para 3 and Para 4 of the General Circular no. 20/2020 dated 05.05.2020.
2. In compliance with the provisions of the Companies Act, 2013 (*the 'Act'*) and MCA Circulars, the AGM of the Company will be conducted through VC (*hereinafter called as 'e-AGM'*). The deemed venue for the 8th e-AGM will be the Board room located at the 1st floor of its Registered Office at 21, Netaji Subhas Road, Kolkata – 700 001.
3. Since in this e-AGM the physical attendances of the Members have been dispensed with, the facility for appointment of Proxies by the Members will not be available. Hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Corporate shareholders (*i.e. other than 1 individual, who is holding 1 equity share jointly with Balmer Lawrie & Co. Ltd.*) are required to send a scanned copy (pdf/jpg format) of its Board or governing body's resolution/ authorization, etc., authorizing their representative to attend the e-AGM on their behalf. The said resolution / authorization shall need to be sent to the person in charge of secretarial functions of the Company at ghosh.proadyotkumar@balmerlawrie.com.
5. Sri Sandip Das and Sri Romon Sebastian Louis, being longest in the office will retire by rotation at this 8th AGM and being eligible have offered themselves for re-appointment. Pursuant to Para 1.2.5 of SS-2, the particulars of the Directors proposed for re-appointment at the 8th AGM is given in **Annexure 1**.
6. Cut-off date has been fixed on 31st August 2022. Members holding equity shares as on the cut-off date will be eligible to participate and vote at the e-AGM.
7. The facility of joining the e-AGM through VC will be opened 30 minutes before the scheduled start time of the e-AGM, i.e., from 11.30 a.m. and also 30 minutes after the scheduled start time of the e-AGM, i.e., till 12.30 p.m.
8. Members may please note that the Notice and Annual Report for FY 2021-22 will also be available on the Company's website at <https://www.vplpl.com>, apart from sending the same at the registered address of the members either by hand or by courier or by any electronic means.
9. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
10. Members attending the meeting through VC/or OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.

11. The Company has been maintaining, *inter-alia*, the following statutory registers at its registered office
 - i) Register of contracts or arrangements in which Directors are interested under Section 189 of the Act;
 - ii) Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA Circulars, the said Registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.
12. Since there are only 3(three) Shareholders, the voting at the e-AGM shall be by way of show of hands unless poll is demanded by any Member under Section 109 of the Companies Act, 2013.
13. In the event where poll is demanded on any item, the members are requested to cast their vote by sending an email (recorded with the Company) to the Company at ghosh.proadyotkumar@balmerlawrie.com within half an hour from the conclusion of the meeting, except in the case of selection of the Chairman and adjournment of the meeting, which has to be taken forthwith. In respect of other items results of the Poll will be declared either on the same day (after the conclusion of the AGM) or on the next succeeding day. The result of the Poll will be posted at the Company website at <https://www.vplpl.com>.
14. The resolutions passed at the e-AGM shall be deemed to be passed at the AGM of the Company.

Annexure – 1

Particulars of Directors proposed to be re-appointed at the 8th AGM

Name	Sandip Das	Romon Sebastian Louis
Date of Birth	25-12-1962	22-11-1972
Date of appointment as Additional Director by the Board	01-05-2020	01-03-2020
Date of appointment by the Shareholders at the Annual General Meeting ['AGM']	16-12-2020	16-12-2020
Date of last re-appointment at the AGM	-	-
Qualification	B Com, ACA	B.Com, PGDMM, PGDMSM
Expertise in Specific Functional areas	Has vast experience in core business areas, both in manufacturing and service verticals at multiple levels as well as in corporate finance and accounts functions in Balmer Lawrie & Co. Ltd. He is holding the position of Director (Finance) in Balmer Lawrie & Co. Ltd.	Has vast experience in logistics solutions specifically logistics infrastructure. He is holding the position of COO(LI), in Balmer Lawrie & Co. Ltd.
Terms and conditions of reappointment.	He will hold the office of a Non-executive Director, whose period of office will be subject to retirement by rotation. Holding of such office will be solely at the discretion of the nominated joint venture partner company No remuneration not even sitting fees will be paid	He will hold the office of a Non-executive Director, whose period of office will be subject to retirement by rotation. Holding of such office will be solely at the discretion of the nominated joint venture partner company No remuneration not even sitting fees will be paid
Details of the remuneration sought to be paid and the remuneration last drawn	Nil	Nil
Number of the Board meetings attended during the financial year 2021-22	4 (four)	5 (five)
Relationship with other Directors, Manager and Key Managerial persons of the Company	Nil	Nil
Directorship in Other Companies	4 (four)	Nil
Chairman/Member in the Committees of the Boards of the Companies	7 (seven)	Nil
Nos. of shares held in the Company	1 <i>(jointly with Balmer Lawrie & Co. Ltd.)</i>	Nil

BOARDS' REPORT

To the Members,

We hereby take the pleasure in presenting our 8th Report together with the Audited Financial Statement for the financial year ended 31st March 2022 and the Reports of the Auditors and Comments of the Comptroller & Auditor General of India, thereon.

Overview on the State of the Company's Affairs

Your Company is a joint venture of Balmer Lawrie & Co. Ltd. and Visakhapatnam Port Authority. It was formed on 24th July 2014 under the Companies Act, 2013 with the sole objective of building and operating a Multimodal Logistics Hub on a land admeasuring around 53 acres in Visakhapatnam, which was taken on 30 years long term lease from Visakhapatnam Port Authority. The contribution between the JV partners is 60:40, in the paid up equity share capital of your Company. Balmer Lawrie & Co. Ltd. paid in cash for its 60% equity stake, whereas the value of 30 years of the project land was taken as the consideration other than cash for VPA's 40% equity stake in the company.

The activities comprise mechanised warehouses, specialised/temperature-controlled storage solutions, and facilities for mechanised material handling and inter modal transfer between container terminals, bulk/ break – bulk cargo terminals, 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 1.35 KM length, where 4 rakes can be handled in a day. The Company has engaged a core and structured sales and operations team for business development and efficient execution.

As informed in our last report that the Company despite having adequate CFS/ICD infrastructure is not able to handle EXIM cargo due to non-receipt of CFS/ICD license from the appropriate authority. The Ministry of Finance, vide its circular no. 50/2020 dated 5th November 2020 had brought out on new policy and procedures, for setting up of the new CFS/ICD/AFS. Your Company in the last year took the advantage of this circular and had applied for the second time for its CFS license, for operating a Container freight Station in its new Multimodal Logistics Hub facility in Visakhapatnam.

It is pertinent to mention here that our Hon'ble Prime Minister had launched in October 2021, Gati Shakti National Master Plan, which is a transformative approach, driven by 7 (seven) engines, which includes growth in Port activities, for economic and sustainable development. The planned activities aims to develop cargo terminals with multi-modal mode of transportation. Since the company's existing/planned logistics facilities fit perfectly the thought process of Gati Shakti, we are hopeful to get the CFS license.

Financial Summary and Highlights

It is a known fact that the pandemic brought significant changes in the corporate landscape and have compelled many companies and individuals to reinvent themselves to remain relevant. The traditional logistics industry, for instance, was pretty unorganised until half a decade back and is now witnessing a significant shift towards digitisation and contactless operations. While on the demand side, many customers that traditionally operated offline went online, there is a huge explosion of Direct-to-consumer (D2C) brands seeking to bring the very best of "Made in India" products directly to the customer's doorstep. The logistics business will witness an uptick post COVID, as the focus will progressively be on the entire supply chain of doorstep delivery. There will be specific thrust on warehousing and packaging to enable the smooth flow of goods. Warehousing will be a significant area of thrust mainly due to the requirement of higher farm produce to the market. The domestic logistics industry is highly fragmented and consists of over 1,000 active players which include large scale domestic players, leading global players, the government postal service and emerging start-ups which are specialising in e-commerce deliveries. As per research reports, the estimated size of the Indian logistics market is pegged at US\$ 215 billion by 2025 and is growing at a CAGR of 10.5% and only 10-15 per cent of the overall market is owned by organised players. Growth in this industry is dependent on several factors. Firstly, higher growth in GDP which entails higher movement of goods across the country. Secondly, warehousing today is an integral part of the e-commerce industry which is booming. Furthermore, the growth of the food processing industry in particular will lead to growth in private demand for warehousing space. Above all, growing exports will increase demand for efficient logistics services to cut costs and become more competitive.

Updates on Business Segments

Closed Yard/Warehouse

The mechanised warehouse facility covering around 2.5 acres with installed capacity of 1,16,650 sq. ft. had witnessed a tremendous growth in business during the financial year 2021-22, whereby its average utilization had increased from 67% (2020-21) to 97% (2021-22) almost an increase of 45% during the financial year 2021-22, as compared to the previous financial year 2020-21.

Temperature Controlled warehouse

The temperature controlled warehouse facility is equipped with frozen & chilled chambers with a capacity of handling 3,780 pallets. During the financial year 2021-22, it had also witnessed a remarkable business where the average actual capacity utilization increased from 34% (2020-21) to 95% (2021-22), a stupendous increase of 179% during the financial year 2021-22, as compared to the previous financial year 2020-21.

Open Yard

During the year under review there was a significant increase in demand of its open yard due to its location advantage, convenience of handling cargos and modern operational solution. The customers for this particular business ranges from private entities to PSUs. During the year under review, its average actual capacity utilization increased from 20% to 40%, an increase of 100% during the financial year 2021-22, as compared to the previous financial year 2020-21.

Railway Siding

The railway siding facility during the year under review was able to cater to the growing demands of steel and aluminium exports from Visakhapatnam Port and 123 rakes carrying this cargo were handled at the facility during the year.

Financial Results

The Annual Financial Results for the year under review, i.e., FY 2021-22, has been furnished below:

	Year ended on 31st March 2022	Year ended on 31st March 2021
		(Rs. in Lakh)
Total Income	1405	934
Total Expenses	546	569
EBITA	859	365
Depreciation & Amortization Expenses	906	943
Finance Cost	774	681
Profit/(Loss)	(821)	(1259)

Share capital

The paid-up equity share capital of the Company as on 31st March 2022 was Rs.135,06,49,630 (Rupees One Hundred and Thirty-Five Crores Six Lakhs Forty-Nine Thousand Six Hundred and Thirty only) consisting of 13,50,64,963 (Thirteen Crores Fifty Lakhs Sixty-Four Thousand Nine Hundred and Sixty-Three) equity shares of Rs.10 each.

During the year under review, the Company has not issued and allotted any equity or preference shares.

Provision of money made by the Company for purchase of its own shares

Your Company has not provided any money to any person for purchase of its own shares during the financial year ended 31st March 2022.

Debenture

Since inception and till the date of reporting the Company has not issued and allotted any Debentures.

Loans, Guarantees and Investments

The Company during the year under review has neither given any loan directly or indirectly nor given any guarantee or provided any security in connection with a loan to any person or body corporate and also not acquired by way of subscription, purchase or otherwise any security of any body-corporate.

Transfer to Reserve

Since the Company ended up the year 2021-22 with a loss, so there is no issue of transferring a portion of the Profit to its Reserves.

Dividend

Since the Company has incurred a loss for the financial year 2021-22 and has no accumulated reserves, your Directors are not in a position to recommend any dividend for the financial year ended 31st March, 2022.

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 2021-22, till the date of this Report, which could affect the financial position of the Company.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report as per the provisions of DPE's Corporate Governance Guidelines is attached and separately marked as **Annexure 1**.

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

Your Company neither has any Subsidiary, Joint Venture or Associate Company.

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

Since inception and as on 31st March, 2022, the Company had less than 10 employees and therefore the requirement of forming an "Internal Complaints Committee" under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, did not arise.

Complaints under the "Right to Information Act, 2005"

During the year under review your Company did not receive any request for information under the 'Right to Information Act, 2005'.

Vigilance cases

No vigilance cases were reported during the year.

Conservation of Energy, Technology Absorption Foreign Exchange Earnings and Outgo

Your Company continued with the following energy conservation techniques in its facilities:

- a) LED Lighting:
Wherever possible, LED lights were installed instead of CFL or incandescent lights. This has reduced the consumption of electricity.
- b) Screw Compressors:
In its temperature controlled warehouse, screw compressors have been installed instead of conventional reciprocating compressors. These compressors are fully automatic with built-in variable step wise capacity control ranging from 0-100 %, whereas reciprocating compressors have limited step-wise control. Screw compressors are highly efficient as they run at about 2950 rpm. Screw compressor gives an accurate temperature for processes. A screw compressor reduces consumption of electricity to the tune of 9-12% as compared to conventional reciprocating compressors.
- c) 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.
- 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 the requirement thereby reducing the consumption of electricity.
- e) APFC Panel:
Automatic power factor control panel (APFC) has been installed, which helps the units to automatically switch ON and OFF, as per the requirement, thereby reducing the overall energy consumption.

Apart from the above, no new technology has been adapted by the Company.

During the year under review, there was no Foreign Exchange Earnings and Outgo.

Risk Management Policy

The Company is in the process of identifying various risks and its mitigations and a Policy to this effect will be adopted in due course. Other aspects of financial risk management are covered under Note 25.2 of Additional disclosures forming part of Financial Statement for the year ended 31st March, 2022.

Corporate Social Responsibility (CSR)

Your Company did not earn any Profit for the last three years preceding the financial year 2021-22 and therefore during the year under review your Company was not mandatorily required to spend any amount on account of CSR under Section 135 (5) of the Companies Act, 2013.

Your Company did not fall into any of the threshold limits provided u/s 135 (1) of the Companies Act, 2013 and accordingly it was not required to form a CSR Committee.

Report on Corporate Governance

Pursuant to the Corporate Governance Guidelines 2010 of the Department of Public Enterprises, in a separate section a report on Corporate Governance is being furnished and marked as **Annexure-2.**

M/s. N K & Associates, the Company Secretary-in-practise, have examined compliance of the provisions of the Corporate Governance Guidelines and has issued a certificate, which is annexed to this Report and marked as **Annexure-4.**

The response of the management to the observations, qualification or remarks of the Secretarial Auditors are as under:

Sl. no.	Observations	Our comments
1	The Company did not have minimum required independent Directors on its Board during the year.	Visakhapatnam Port Logistics Park Ltd. is still in its nascent stage of overall projected operations and therefore is yet to make a requisition to the Department of Public Enterprises for appointing independent Directors on its Board.
2	The Company has more than 3 months gap in the meeting held between the period from 30.07.2021 to 03.11.2021	The 3 months gap became due on 30 th October 21, but since our limited review report of the financial results for the quarter ended 30 th September 21, was not ready, we had to fix 3 rd November 21 as the meeting date.
3	The Audit Committee of the Company has been constituted but there is no independent Director.	Please refer management comment no. 1
4	The Company has not appointed a Company Secretary but a designated professional is assigned to act as the Secretary to the Board and the committee	Visakhapatnam Port Logistics Park Ltd. is still in its nascent stage of overall projected operations and therefore is yet to appoint whole-time key managerial personnel, including the Company Secretary. However, looking into the interest of the company, an experienced professional having requisite qualification has been assigned to act as the Secretary to the Board and the Board committee.
5	The Company did not have any Remuneration Committee as there was no key managerial personnel to whom remuneration was payable	Under the Companies Act, 2013, since Visakhapatnam Port Logistics Park Ltd. is a joint venture company so there is no requirement of having a Remuneration Committee. But since it is an unlisted CPSE and have to comply with the 'Guidelines on Corporate Governance for CPSEs 2010', under which the Company is required to have such Committee. The Company is still in its nascent stage of overall projected operations and therefore as of now has only 6 employees in its rolls who all are either junior or middle level employees. There is no senior level employees including the KMPs, where evaluation and recommendation on their appointment and remuneration are required. Even none of the Board members are Executive, where remuneration is to be paid. Under such circumstances, there is no requirement of a Remuneration Committee.
6	The Company has not constituted vigil mechanism and hence review of vigil mechanism for directors and employees concern was not complied	The Company has already constituted a whistle blower policy, which is the same in terms of objective and purpose that of a vigil mechanism.

Board of Directors

Directors

As on 31st March 2022, the Board of Directors consist of the following Directors:

Sl. No.	Name of the Directors	Position held	Date of Appointment
1	Sri Adhip Nath Palchaudhuri	Non-executive Director	01.03.2020
2	Sri Sandip Das	Non-executive Director	01.05.2020
3	Sri Romon Sebastian Louis	Non-executive Director	01.03.2020
4	Sri Durgesh Kumar Dubey	Non-executive Director	09.07.2021
5	Sri Venu Prasad Ambata	Non-executive Director	09.07.2021

Independent Directors and its declaration

Pursuant to Notification number GSR 839(E) dated 5th July 2017, your Company being a joint venture, is not required to have any independent Directors on its Board. However, the Department of Public Enterprises stipulates having two Directors in independent category.

Policy on Directors appointment and remuneration and Board's evaluation

Your Company never required framing any policy for its Directors' appointment and their remuneration, since none of the Directors receive any sort of remuneration including sitting fee (for attending meetings of the Board) and the Directors are appointed as per the recommendation of the joint venture partners which is as per the Shareholders' Agreement. Further there is no scope of evaluation of Board's Performance, since the powers to appoint and remove Directors lies with the joint venture partners. Moreover these requirements are not applicable for Government Companies.

Managerial Remuneration

None of the Directors of the Company receives any sort of remuneration from the Company, including sitting fees for attending the Board meetings.

Board meetings

The Board met FIVE (5) times during the financial year 2021-22, on 20th May 2021, 4th June 2021, 30th July 2021, 3rd November 2021 and 4th February 2022. The intervening gap between any two Board Meetings of the Company was within the prescribed period under the Companies Act, 2013.

The Company continued with the practice of allowing its out-stationed Directors to attend the meetings through video conference.

The attendance of the Directors at the meetings are briefed below:

Date	Adhip Nath Palchaudhuri	Sandip Das	Romon Sebastian Louis	Durgesh Kumar Dubey	Venu Prasad Ambata	Nara Harikrishna Raghupathruni	Haranadh Lakshmi Polamraju
20.05.2021	Present	Present	Present	*NA	*NA	Present	Absent
04.06.2021	Present	Present	Present	*NA	*NA	Present	Absent
30.07.2021	Present	Present	Present	Present	Present	**NA	**NA
03.11.2021	Present	Present	Present	Present	Absent	**NA	**NA
04.02.2022	Present	Absent	Present	Present	Present	**NA	**NA

* was appointed on the Board with effect from 9th July 2021.

**Ceased from the Board with effect from 9th July 2021

Details of Directors who were appointed or have ceased to be on the Board during the year

During the Financial Year 2021-22, Sri Durgesh Kumar Dubey and Sri Venu Prasad Ambata were appointed as Non-executive Additional Directors with effect from 9th July 2021 and then were appointed as Non-executive Directors of the Company at the 7th Annual General Meeting held on 10th September 2021.

Sri Nara Harikrishna Raghupathruni and Sri Haranadh Lakshmi Polamraju ceased to be Non-executive Directors of the Company with effect from 9th July 2021.

After the conclusion of the financial year 2021-22 and as on the date of reporting, there is no change in composition of the Board.

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:

- 1) In the preparation of the Annual Financial Statement for the financial year ended 31st March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) 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 on 31st March 2022 and of the Profit and Loss of your Company for that period;
- 3) 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;
- 4) The Directors had prepared the Annual Accounts for the financial year ended 31st March, 2022 on a going concern basis;
- 5) 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;
- 6) 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.

Audit Committee

The Audit Committee was constituted on 3rd February 2021 and as on 31st March 2022, its composition comprises the following Non-executive Directors:

Sri Sandip Das, Chairman
Sri Adhip Nath Palchaudhuri
Sri Venu Prasad Ambata

The Audit Committee met 4 (four) times during the financial year 2021-22 on 20th May 2021, 30th July 2021, 3rd November 2021 and 4th February 2022.

Key Managerial Personnel

Your Company is still in the nascent stage of its projected operational activities 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.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future

No such order has been passed by any Court or Tribunal or Regulator, which had impacted adversely the going concern/future operation status of the Company.

Auditors & Auditors' Report

Statutory Auditors

Pursuant to Section 139 (5) of the Companies Act, 2013, the Comptroller & Auditor General of India has appointed M/s. ADR & Associates, Chartered Accountants, as the statutory Auditors of your Company for the financial year 2021-22.

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

The Report of the Statutory Auditors on Annual Accounts of your Company for the financial year ended 31st March, 2022, does not have any reservation or qualified remark.

The Report of the Statutory Auditors has been attached with the Audited Financial Statement.

Adequacy of internal financial controls

The Statutory Auditors in its report dated 13th May 2022, has opined that the Company has, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022.

Comments of Comptroller & Auditor General of India

The Office of the Comptroller & Auditor General of India (‘CAG’) had conducted supplementary audit of the Annual Financial Statement of the Company for the year ended 31st March 2022.

Comments of CAG are attached with the Audited Financial Statement.

Secretarial Auditors

Since the paid-up share capital of your Company is more than 50 crore, the Board of your Company, in terms of Section 204 of the Companies Act, 2013, has to annex with its report, the secretarial audit report given by a company secretary-in-practice. The Company had appointed M/s N K & Associates, Practising Company Secretaries, having its office at 159 Rabindra Sarani, 9th Floor, Kolkata-700007, as its Secretarial Auditors to give a report in MR-3 format for the financial year ended 31st March 2022.

M/s. N K & Associates after conducting audit of the secretarial records have submitted its report, which is annexed and marked as ‘**Annexure-3**’.

The response of the management to the observations, qualification or remarks of the Secretarial Auditors are as under:

Sl. no.	Observations	Our comments
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 managerial personnel, i.e., (i) Chief Financial Officer and (ii) Company Secretary.	Visakhapatnam Port Logistics Park Ltd. is still in its nascent stage of overall projected operations and therefore is yet to appoint whole-time key managerial personnel.
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 Women Director	Visakhapatnam Port Logistics Park Ltd. (‘VPLPL’) is a joint venture of Balmer Lawrie & Co. Ltd. and Visakhapatnam Port Authority (‘VPA’, earlier was known in the name of ‘Visakhapatnam Port Trust’). The composition of the Board is guided by the Articles of Association of VPA, which is based on the Agreement dated 29 th March 2014 entered into between the above joint venture partners. Clause 3.12 1(b) of the Agreement mentions that those persons holding specific position in the joint venture partner companies can only be nominated on the Board of VPLPL.
3	In terms of Section 177(9), the Company has not constituted vigil mechanism for directors and employees to report genuine concern policy.	The Company has formulated a whistle blower policy in terms of the ‘Guidelines on Corporate Governance for CPSEs 2010’, for its employees to report to the management instances of un-ethical behaviour, actual or suspected fraud or violation of the guidelines on conduct of ethic policy. Though Rules 7 of the Companies (meetings of the Board & its Power) Rules, 2014, stipulates the Company to establish a vigil mechanism but since the objective of forming vigil mechanism and whistle blower policy are the same so no separate vigil policy has been established by the Company.

Internal Audit

Your Company had appointed M/s. Laldash & Co., Chartered Accountants, as its Internal Auditors for the financial year 2021-22. M/s. Laldash & Co., has carried out internal audit of the Books of Account, other papers/documents and internal financial control system of the Company, for the period under review.

Related Party Transactions

During the year under review, all the transactions which were entered into by your Company with its Related Parties are given in the annexed Form AOC-2 [refer **Annexure 5**].

All these transactions were entered in the ordinary course of business and at arm's length basis.

Annual Return

The Annual Returns of the earlier years are placed on the website of your Company at www.vplpl.com. Annual Return for the financial year 2021-22 in MGT-7 format, which will be filed after the Annual General Meeting is also placed on the website of your Company at www.vplpl.com

Maintenance of cost records

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and accordingly such accounts and records are not made and maintained.

Appreciation

Your Directors would like to express their sincere gratitude for the co-operation received from the Banks, Government Authorities and especially from the joint venture partners during the year under review.

Your Directors also wish to express their gratitude to all the stakeholders of the Company for reposing their faith, trust and confidence on the Company.

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

Adhip Nath Palchaudhuri

**Sandip Das
Directors**

Place: Kolkata

DIN: 08695322

DIN: 08217697

Dated: 27th July 2022

Annexure 1

Management Discussion & Analysis Report

(forming part of the Board's Report for the financial year 2021-22)

Introduction

Your Company, being an unlisted Central Public Sector Enterprise (CPSE) has to comply with the Corporate Governance Guidelines for CPSEs. These guidelines were issued in the year 2010 by the Department of Public Enterprises, Government of India. Pursuant to Clause 7.5 of the Guidelines, 'Management Discussion & Analysis Report', should form a part of the Directors' Report.

Your Directors' in this Report have provided an overview how different business segments of your Company are performing and have analyzed the factors which impacted its performance and have thrown some light on the future outlook of your Company.

The world has been radically transformed due to COVID-19, which impacted globally the economy, business, lives and livelihoods. There has been a significant reduction and cessation of operations during the lockdown period in the year 2020 and business gradually started picking up momentum from second half of the financial year 2021-22.

Your Company is focused on different modes of warehousing of cargos. It has open yard, which is suitable for all types of cargos, covered warehouses with and without temperature controlled facilities suiting the needs of the cargos and railway sidings to cater the smooth movement of the cargos along a 1.35 km railway track.

The warehousing sector is an inevitable pillar of India's economy, keeping the momentum of global supply chain steady. According to the report 'Warehousing Market in India 2021', the industry which valued at 1,050 billion in 2020 is expected to expand at a CAGR of 14.86 % between 2021 and 2025, taking the value to 2,028.86 billion by 2025. The warehousing sector is not only growing but getting more organised and some of the warehouses are almost at par with international standards in terms of quality, which is encouraging for more investors to invest and attracting MNC clients who require such facilities. The pandemic, which brought everything to a total halt in the initial phase, eventually saw the industry rebounding.

The period witnessed the changing preferences from offline to online mode and companies transforming digitally to keep their business up and running, which in turn gave a boost to the warehousing sector. Like many sectors, warehousing is also experiencing various technological shifts at the digital front.

Though India's entry is late in modern warehousing but we are fast adaptors and quick in learning the ropes of any trade and hopefully will catch-up to the world's standard in the next 2-3 years' time.

Open Yard

Industry Structure and developments

Open yard warehousing system is mainly to store large cargo, such as machinery, construction materials equipment, automobiles, and other heavy-duty equipment and commodity.

Your Company has 53 acres of land, out of which 35 acres has been developed and the balance 18 acres are still lying as an undeveloped area. Out of the developed 35 acres, 26 acres is open yard, which is a paved yard and is suitable to store all types of large cargo.

Your Company has experienced a significant increase in demand of its open yard due to its location advantage, convenience of handling cargoes and modern operational solution.

Your Company is constantly developing its operational system so that the cargo can be handled more conveniently and this has paved way to grab new business of storing heavy weight steel, aluminum and project equipment.

Your Company not only cater to break bulk cargo but also containerized cargo and always has the focus of enhancing the volume of cargo handled.

Opportunities & Threats

Opportunities

- Volumes of Steel exports via Visakhapatnam Port, were more or less constant in last two financial years. During the financial year 2020-21 and 2021-22, a total of 12.50 lac MT and 11.22 lac MT, respectively of Steels were exported via Visakhapatnam Port. Out of the aforesaid volumes of Steel exports via Visakhapatnam Port, your Company handled 2.34 lac MT and 2.60 lac MT during the financial years 2020-21 and 2021-22, respectively and this is expected to rise during the financial year 2022-23, posing a good opportunity for the Company.
- 35 acres of paved yard provides an easy handling of break bulk cargo;
- Safe and secure handling operations make your Company a favourable option to handle rakes carrying steel cargo.
- Your Company has a rail siding inside its premises, which reduces the handling and transportation cost of the heavy duty cargo.
- Break Bulk Cargo exporters are a potential target segment. There is constant rise in break bulk cargo (Steel, Aluminium and bagged Agri-cargo) as seen in the financial year 2021-22 vis-à-vis the financial year 2020-21.
- Apart from break bulk there is an increase in project cargo/equipment, which can only be conveniently stored in open yard.
- Storage of empty containers of various shipping lines or considering an empty container yard is also an opportunity for open yard operations.
- The average area occupancy of open yard has increased from 20% (FY 20-21) to 40% (FY 21-22). This has been achieved on account of storage of project cargo, break bulk cargo, containers.

Threats

- Steel and aluminium market is a dynamic market, posing uncertainty at times.
- Increase in Direct Port Delivery (DPD) Clients in Visakhapatnam Port, who prefer taking the cargo directly to their factories situated about 60-70 kms away from Port area.
- Increase in Direct Port Entry (DPE) Clients in Visakhapatnam Port, who prefer taking the cargo directly to Port from their factories situated about 60-70 kms away from Port area.

Segment wise or product wise performance

During the year under review, this business segment generated a revenue of Rs.649 lacs, which is 46% of the total revenue of your company with 40% area utilization (total available area 11,33,547 sq. ft.).

Outlook

- Outlook is positive considering the performance growth in the last two financial years.
- Your Company is considering other revenue generation options, like handling of cargo, leasing out area in open yard for construction of cap model/temporary warehouse.

Risks and Concerns

- Cargo, which are vulnerable to moisture, heavy wind and rainfall cannot be handled in open yard.
- Stringent restrictions have been imposed by Government authorities for storing/handling bulk/dusty cargo, which comprises 70% of total imports in Visakhapatnam.
- Non availability of CFS License is posing challenges for utilisation of yard for handling containerised cargo.

Discussion on Financial Performance with respect of operational performance

During the year this segment witnessed significant growth in storage revenue which contributed for reduction of loss as compared to the previous year. This is because primarily on account of 40% area utilization in this segment and has shown growth in revenue of 52%, as compared to the previous year.

Closed Warehouse

Industry Structure and developments

- The Logistics industry has seen a considerable shift in consumer behavior in the recent times with an increased dependency on e-commerce on digital platform.
- A breakthrough trend in warehousing segment has been observed with focus on Artificial Intelligence (AI) and Internet of Things (IOT) to understand consumer behavior and achieving operational excellence.
- The growth in Indian warehouse industry is led by various factors, prominent amongst them are initiatives of the Government, like Make-In-India, facilitating the manufacturing sector at the local level, the implementation of Goods and Service Tax (GST), growth of e-commerce, digitization, government thrust on economy moving to cashless state, growing domestic consumption, favorable increase in international trade and growth in private and foreign investments in infrastructure.
- The Company's warehousing and distribution facilities is presently fully operational at Visakhapatnam with an installed capacity of an area of 1,16,650 sq.ft.

EMERGING TRENDS IN WAREHOUSING

A. SPURT IN GRADE A FACILITIES

- The government is also planning to introduce a warehousing policy to help ease transportation and logistics costs. It aims to lay the roadmap for developing exclusive warehousing zones through public-private partnerships.
- Industrial and warehousing is one of the most resilient segments in India. The demand for industrial and warehousing facilities is expected to remain unscathed in the long term.

B. ON-DEMAND WAREHOUSING

- With India's warehousing sector gradually picking up pace with massive investments, the on-demand warehousing segment seems to be growing.

- **PUSH FOR 3PL WAREHOUSING**

The third party logistics which is commonly known as 3PL sector is likely to retain a large market share, with e-commerce and other sectors continue to outsource their warehousing and logistics requirements to 3PL players.

C. IOT, ROBOTICS, AND AUTOMATION

The warehousing industry now holds an immense potential by adopting the Internet of Things (IoT), robotics, and artificial intelligence (AI). Most of the business in warehousing and logistics are looking to grow by harnessing these new technologies.

Opportunities & Threats

- Your Company expects traditional growth driving sectors such as Project cargo, bagged minerals/palletized cargo/e-commerce (textile and auto ancillary) to continue driving the demand in the coming years.
- A number of new growth drivers such as organized retail, information technology, telecommunications and healthcare are also expected to create a strong demand in the coming years.
- The analyst expects a significant proportion of investments in warehousing to be made towards free trade warehousing zones (FTWZs) and logistic parks.

Segment wise or product wise performance

- During the year under review, this segment generated revenue of Rs.326 lakhs, which is 23% of total revenue generated during the financial year 2021-22, with 97% capacity utilization (total installed capacity of 1,16,650 sq. ft.).

Outlook

Outlook for this business segment is positive.

Risks and Concerns

- The daily management of a warehousing business entails a series of risks to which both personnel and stocked goods are exposed to on a daily basis.
- Knowing the main risks in warehouses and taking measures to prevent them is essential to ensure the safety of workers and optimal maintenance of stock.
- Staff training, routine inspections, health and safety measures, responsible behavior and proper maintenance of your installations are key to ensuring the safety of the warehouse

Discussion on Financial Performance with respect to operational performance

During the year under review, this segment witnessed significant growth in top line, which contributed reduction in loss as compared to previous year. This is because primarily on account of 97% utilization in this segment and has shown growth in revenue of 69% as compared to previous year.

Temperature controlled warehouse

Industry Structure and developments

- The Indian cold chain market reached a value of INR 1585.1 Billion in 2021. Looking forward, IMARC Group expects the market to reach INR 3637.4 Billion by 2027, exhibiting a CAGR of 14.72% during 2022-2027. Keeping in mind the uncertainties of COVID-19, we are continuously tracking and evaluating the direct as well as the indirect influence of the pandemic on different end use industries.
- Cold chains impart storage and distribution services for products that have to be maintained at a given temperature. India is currently the world's largest producer of milk, second largest producer of fruits and vegetables and has a substantial production of marine, meat and poultry products. Most of these products are temperature sensitive and require specific temperature for storing and transportation. This has resulted in the establishment of a very large cold chain infrastructure in the country.
- Pharmaceutical products are also highly susceptible to temperature and time constraints, making cold chain a key requirement for this industry. In the present scenario, where safe delivery of vaccines for mass immunization against COVID-19 is an absolute priority, the cold chain enjoys a huge demand in the logistics market.

Indian Cold Chain Market Drivers

- **Growth in Organized Food Retail**
Organized retail is expected to be amongst the biggest drivers of the cold chain market in India. With the growth of the organized food retail, we expect consumers to get access to a very large variety of fresh fruits and vegetables, dairy products, meat and poultry products and a number of other temperature sensitive commodities that require cold chain storage and transportation. Most of the organized retail players have already acknowledged that setting up of a strong cold chain infrastructure is a key step in efficiently managing their supply chains.

- **Growth in the Processed Food Sector**

There has been a marked improvement in the consumer demand for processed foods. The Indian government has also announced the intent of establishing several mega food parks. This augurs well for the development of the cold chain industry in the country.

- **Shift Towards Fruits and Vegetables**

Due to increasing risks and investments in grain crops, farmers are moving towards cultivation of fruits and vegetables. Most of these crops require refrigeration and hence are expected to encourage the development of cold storage facilities.

- **Increasing Demand from the Healthcare Sector**

A number of healthcare products such as vaccines, biopharmaceuticals as well as clinical trial materials are heat sensitive and must be stored at temperatures ranging from 2°C to 8°C. With India's vaccine, biopharmaceutical and clinical trials market expected to grow at double digit growth rates, we expect a strong demand of efficient cold chain facilities in the coming years.

Opportunities & Threats

Opportunities

- Marine products exports from India reached the all-time high of US\$ 7,740 million during 2021-22, despite the heavy odds faced by the sector.
- During 2021-2022, India has exported marine products to 121 countries.
- USA continues to be the top destination for exports, especially, seafood export for the past 11 years. The target fixed for US market during the fiscal year was US\$ 3021 million and the achievement was US\$ 3315 million.
- China, again stood at number two position, a ranking it has retained during the previous 3 years despite the various trade challenges faced. Exports to China touched US\$ 1121 million against the target of US\$ 1021 million.
- Japan, stood at number three position, again retaining the same ranking for the past 3 years. Exports to Japan was US\$ 448 million against the target of US\$ 428 million.
- USA, China and Japan are top 3 favourite destinations of Indian marine exports. Exports to these three countries contributed 63% of our exports in US\$ value terms.

Threats

- 5% of the total produce in India is kept in cold storage, which is an insignificant number compared to the global standards.
- It has been observed that small food and vegetable suppliers are averse to cold storage facilities due to cost factor.

Segment wise or product wise performance

During the year under review TCW was utilized to the extent of 95% of its installed capacity for storing marine products, vegetables and fruits.

Outlook

Out-look is positive for this segment.

Risks and Concerns

- Power outages are disastrous in cold stores and in those where product conservation depends on maintaining stable environmental conditions.
- Lack of Logistical Support:
Cold chain industry in India is fragmented and it will require heavy investment in building technology enabled cold storage facilities to cover entire value chain from procurement to transportation in refrigerated trucks to retail outlets in cities.

Discussion on Financial Performance with respect of operational performance

Since the entire cold storage has been leased out to M/s Hind Terminal Pvt. Ltd from May'2021 there is a consistent flow of revenue from this segment. Due to savings in costs towards handling, operational, repair and maintenance and other costs this segment contributed for reduction in loss as compared to previous year.

Railway sidings

Industry Structure and developments

- The Company has a rail track of about 1.35 km and can accommodate 2 rakes at a time.
- Currently, we have handled 123 rakes per annum.
- The Company is handling break bulk cargo, bagged Agri commodities via rakes.
- The cargo comes from Odisha, Raipur, Kolkata etc.

Opportunities

- **Increase in Steel Exports:**
India's finished steel exports rose to a record high during the period from April 2021-March 2022 financial year, as higher international prices prompted Indian mills to boost shipments. Exports of finished steel rose by 25% and during the year under review it was 13.5 MT as compared to 10.8 MT in the previous financial year. Vietnam was the top export destination during the year, taking 1.7 MT of shipments, although this was lower by 23%. India's highest monthly steel export in the financial year was 1.5 MT in July 2021, after the second wave of Covid-19 infections in the country dented domestic demand. Indian steel mills also increased their exports to Europe last month following a supply crunch in the region because of the Russia-Ukraine conflict, while lower prices in Southeast Asia kept India out of the Vietnamese market.

- **Increase in Agri products exports**

This has increased over 25% during the financial year 2021-22 and expect to grow further in 2022-23.

Segment wise or product wise performance

During the year this segment generated revenue of Rs.84 lakhs by handling 123 nos. of rakes.

Outlook

Outlook is positive and optimistic.

Risks and Concerns

- Due to dynamic nature of commodities handled, this segment poses certain risk.
- War like situation, economic recessions etc. can be an impediment in attracting such business.
- Priority of Government changes as per the requirement as we witnessed in case of coal supply shortages.
- From client's point of view, costing is a very important segment, which varies from commodity to commodity.

Discussion on Financial Performance with respect of operational performance

During the year the unit handled 123 (No's) of rakes

Internal control systems and their adequacy

- Regular checks are done with the customers to find out whether the stocks are managed properly. There are periodic inspection by the surveyors to ensure correctness of the stock records and physical stock available in the yard.
- The unit has in place an effective Internal Control mechanism and during the year under review, Internal Audits were carried out and the findings were found to be satisfactory.

Material developments in Human Resources / Industry Relations front including number of people employed

The Company continues to enjoy cordial relationship with its employees and as on 31st March, 2022 has in total 6 (six) permanent employees.

Annexure 2

Report On Corporate Governance

[forming part of the Board's Report for the year 2021-22]

Philosophy

Your Company is committed to maintain transparency, empowerment, accountability and integrity in its operations for attaining the corporate plans with the ultimate purpose of enhancement of “stake holder value”. Moreover, your Company believes that sound Corporate Governance practices provide an important platform to assist the management and the Board in delivering its responsibilities.

Board of Directors (“the Board”)

Composition

Your Company is joint venture of Balmer Lawrie & Co. Ltd. and Visakhapatnam Port Authority (earlier it was known in the name of Visakhapatnam Port Trust). Article 14 of the Articles of Association of the Company stipulates that the Board of your Company shall consist of 5 (five) Directors out of which 3 (three) Directors, will be nominated by Balmer Lawrie & Co. Ltd. and 2 (two) Directors will be nominated by Visakhapatnam Port Authority. Only the persons who are holding the positions of Director (Finance), Director (Service Business) and Chief Operating Officer (LI) in Balmer Lawrie & Co. Ltd. and Deputy Chairman and Chief Engineer of Visakhapatnam Port Authority will be nominated on the Board of the Company

As on 31st March, 2022, the Board consisted of 5 (five) Directors, who all are in the Non-executive category.

A brief profile of the Directors of the Company as on the date of signing of this report is set out as under:

Sri Adhip Nath Palchaudhuri (DIN 08695322)

Non-Executive Director

Sri Adhip Nath Palchoudhuri was appointed by the Board as an Additional Director of the Company on 1st March 2020 and then as a Non-executive Director by the Shareholders at their 6th Annual General Meeting held on 16th December 2020. Sri Palchaudhuri is holding the position of Director (Service Business) in Balmer Lawrie & Co. Ltd. (‘BL’) and therefore was nominated on the Board of the Company.

Shri Palchaudhuri holds a B.E (E&C) degree from University of Roorkee (now IIT Roorkee) and a PGDM from IIM Lucknow. He has professional work experience of nearly 28 years. Shri Palchaudhuri had worked with a wide variety of organizations in the IT Services/Consulting field in India and abroad. Apart from Balmer Lawrie & Co. Ltd., Sri Palchaudhuri, does not hold Directorship in any other entities.

Sri Sandip Das (DIN 08217697)

Non-Executive Director

Sri Sandip Das was appointed by the Board as an Additional Director of the Company on 1st May 2020 and then as a Non-executive Director by the Shareholders at their 6th Annual General Meeting held on

16th December 2020. Sri Das is holding the position of Director (Finance) in Balmer Lawrie & Co. Ltd. ('BL') and therefore was nominated on the Board of the Company.

Sri Das is a Bachelor of Commerce from St. Xavier's College, Kolkata and a Member of the Institute of Chartered Accountants of India and has more than 35 years of experience in both manufacturing and services verticals at different levels and specifically in corporate finance function.

Sri Das also holds the position of a Non-Executive Director in Balmer Lawrie Investments Ltd., which is the holding Company of Balmer Lawrie & Co. Ltd. He is also a Director in Balmer Lawrie-Van Leer Ltd. and a Commissioner in PT Balmer Lawrie Indonesia, which are the joint venture companies of Balmer Lawrie & Co. Ltd.

Sri Romon Sebastian Louis (DIN 08710802)

Non-Executive Director

Sri Romon Sebastian Louis was appointed by the Board as an Additional Director of the Company on 1st March 2020 and then as a Non-executive Director by the Shareholders at their 6th Annual General Meeting held on 16th December 2020. Sri Louis is holding the position of Chief Operating Officer (Logistics Infrastructure) in Balmer Lawrie & Co. Ltd. ('BL') and therefore was nominated on the Board of the Company.

Sri Louis is a commerce graduate and had done PGDMM and PGDMSM in materials management and has a wide experience in various logistics solutions, specifically in logistics infrastructure business.

Sri Louis does not hold Directorship in any other entities.

Sri Durgesh Kumar Dubey (DIN 09207436)

Non-Executive Director

Sri Durgesh Kumar Dubey was appointed by the Board as an Additional Director of the Company on 9th July 2021 and then as a Non-executive Director by the Shareholders at their 7th Annual General Meeting held on 10th September 2021. Sri Dubey is holding the position of Deputy Chairman of Visakhapatnam Port Authority and therefore was nominated on the Board of the Company.

Sri Dubey is a Master of Arts in Public Administration and has a wide experience in administration, operations, business development and managing finances of the Port Authority.

Sri Dubey does not hold Directorship in any other entities.

Sri Venu Prasad Ambata (DIN 09207446),

Non-Executive Director

Sri Venu Prasad Ambata was appointed by the Board as an Additional Director of the Company on 9th July 2021 and then as a Non-executive Director by the Shareholders at their 7th Annual General Meeting held on 10th September 2021. Sri Ambata is holding the position of Chief Engineer of Visakhapatnam Port Authority and therefore was nominated on the Board of the Company.

Sri Ambata is a B. Tech. (Civil) and M. Tech. in Ocean Engineering and have a wide experience in planning and development of port civil infrastructure, estate management and environment management.

Sri Ambata does not hold Directorship in any other entities.

The composition of Board of Directors as on 31st March, 2022 and the number of other Boards or Committees in which the Director is a member/Chairperson are enumerated as follows:

Name, designation and category of the Director	Total number of Directorship in other companies	Names of the other entities in which the director is a director and the category of directorship	Number of memberships in Committee(s) of other Companies	Number of post of Chairperson in Committee of other Companies
Sri Adhip Nath Palchaudhuri	1	Balmer Lawrie & Co. Ltd. Whole-time / Executive Director	2	Nil
Sri Sandip Das	4	Balmer Lawrie & Co. Ltd. Whole-time/ Executive Director Balmer Lawrie Investments Ltd. Non-executive Director Balmer Lawrie Van Leer Ltd. Non-executive Director PT Balmer Lawrie Indonesia Commissioner	7	1
Sri Romon Sebastian Louis	Nil	NA	Nil	Nil
Sri Durgesh Kumar Dubey	Nil	NA	Nil	Nil
Sri Venu Prasad Ambata	Nil	NA	Nil	Nil

Brief profile and other details of the Directors of the Company retiring by rotation and Directors seeking appointment at the AGM

The brief profile and other details of the Directors of the Company retiring by rotation and Directors seeking re-appointment at the AGM is attached to the Notice of the 8th Annual General Meeting.

Attendance at the Board Meetings during the Financial Year 2021-22 and at the last Annual General Meeting (AGM)

The Board of Directors met 5 (five) times during the Financial Year 2021-22.

Attendance of the Directors at the Board meetings and at the last AGM held during the Financial Year 2021-22, are given below:

Board Meetings							
Date	Adhip Nath Palchaudhuri	Sandip Das	Romon Sebastian Louis	Durgesh Kumar Dubey	Venu Prasad Ambata	Nara Harikrishna Raghupathruni	Haranadh Lakshmi Polamraju
20.05.2021	Present	Present	Present	*NA	*NA	Present	Absent
04.06.2021	Present	Present	Present	*NA	*NA	Present	Absent
30.07.2021	Present	Present	Present	Present	Present	**NA	**NA
03.11.2021	Present	Present	Present	Present	Absent	**NA	**NA
04.02.2022	Present	Absent	Present	Present	Present	**NA	**NA
Annual General Meeting							
10.09.2021	Present	Present	Present	Present	Present	**NA	**NA

**appointed on the Board on 9th July 2021*

***ceased from the Board with effect from 9th July 2021*

Disclosure of relationship between Directors *inter-se*:

Directors do not have any relationship *inter-se* amongst them.

Number of shares and convertible instruments held by the Directors:

Name of the Director	Number of shares held	Percentage of shares
Adhip Nath Palchaudhuri	0	0
Sandip Das	1*	0
Romon Sebastian Louis	0	0
Durgesh Kumar Dubey	0	0
Venu Prasad Ambata	0	0

**jointly held with Balmer Lawrie & Co. Ltd.*

The Company has not issued any convertible instrument.

Committees of the Board

Audit Committee

The Audit Committee was formed on 3rd February 2021.

The terms of reference of the Committee are as follows:

- i. To recommend the amount of fees payable and other terms of appointment, if any, of the Auditors of the Company;
- ii. To review and monitor the Auditor's independence and performance and effectiveness of the Audit Process;
- iii. To examine the Financial Statement/Results (whether quarterly or annual) and the Auditors' Report (including limited review report) thereon;
- iv. To grant omnibus approval of the related party transactions for the financial year or else approve transactions with the related parties;
- v. To evaluate the Internal Financial Controls and Risk Management systems;
- vi. To scrutinize the inter-Corporate loans and investments, if any;
- vii. To appoint a valuer, if required, for valuing the Undertaking or Assets of the Company;
- viii. To call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and review of the Financial Statement/Results before submission to the Board;
- ix. To discuss any related issues with the Internal and Statutory Auditors and the Management of the Company;
- x. To investigate into any matter in relation to those items which are referred to by the Board;
- xi. To obtain professional advice from external sources, wherever necessary;
- xii. To have full access to information contained in the records of the Company;
- xiii. To establish Vigil mechanism (required since the amount of outstanding loan payable to Banks is more than Rs. 50 crore) for the Directors and Employees to report their genuine concerns or grievances.

Composition

The Audit Committee was formed with three Non-executive Directors.

As on 31st March 2022, the Audit Committee is comprised of:

- (a) Sri Sandip Das, Chairman;
- (b) Sri Adhip Nath Palchaudhuri; and
- (c) Sri Venu Prasad Ambata

All the members of the Audit Committee are financially literate. The Chairman of the Audit Committee is a Chartered Accountant and have more than 35 years of experience in the field of Accounts, Finance, Tax and General Management.

The person who is entrusted with Secretarial functions of the Company acts as the Secretary to this Committee.

During the year under review, there is a change in the composition of the Audit Committee. Sri Nara Harikrishna Raghupathruni resigned from the Board and consequently from the Audit Committee with effect from 9th July 2021. Sri Venu Prasad Ambata was appointed a member of the Audit Committee with effect from 30th July 2021.

Meetings and Attendance

The Audit Committee met 4 (four) times during the Financial Year 2021-22.

The details regarding the attendance of the Members at the meetings are enumerated as follows:

Date	Names of the Members		
	Adhip Nath Palchaudhuri	Sandip Das	Venu Prasad Ambata
20.05.2021	Present	Present	*NA
30.07.2021	Present	Present	Present
03.11.2021	Present	Present	Absent
04.02.2022	Present	Absent	Present

**appointed as an Audit Committee member w.e.f. 30th July 2021*

Nomination & Remuneration Committee

The Company is joint venture of Balmer Lawrie & Co. Ltd. ('BL') and Visakhapatnam Port Authority (earlier it was known in the name of Visakhapatnam Port Trust). All the 5(five) Directors are in Non-executive position nominated by the respective joint venture partners. None of them receive any sort of remuneration including the sitting fee from the Company. The performance of the Directors are evaluated by their respective joint venture partners. Therefore under the current scenario there is no requirement of a "Nomination & Remuneration Committee".

General Body Meetings

Details of the last three Annual General Meeting(s) (AGM) held by the Company are enumerated as under:

Annual General Meeting	Date and Time	Venue	Number of Special Resolution passed
5 th	30 th September 2019 at 3.00 p.m.	Board room of its registered office at 21, Netaji Subhas Road, Kolkata - 700001	No special resolution was passed
6 th	16 th December 2020 at 3.00 p.m.	Through Video Conference Deemed venue Board room of its registered office at 21, Netaji Subhas Road, Kolkata - 700001	No special resolution was passed
7 th	10 th September 2021 at 3.00 p.m.	Through Video Conference Deemed venue Board room of its registered office at 21, Netaji Subhas Road, Kolkata - 700001	No special resolution was passed

Special Resolutions passed in last year through Postal Ballot

No special resolution was passed through postal ballot during the Financial Year 2021-22.

Special Resolution proposed to be conducted through Postal Ballot.

NIL

Means of Communication and Address for Correspondence

The quarterly un-audited and audited annual financial statements are uploaded on the website of the Company. Statutorily the aforesaid results are not required to be published in the new papers.

Other information, including some of the policies of the Company are posted on the Company's website at www.vplpl.com

All communications should be addressed:

Visakhapatnam Port Logistics Park Ltd.

21, Netaji Subhas Road,

Kolkata-700001

Phone-(033) 2222 5427

E-mail: louis.rs@balamerlawrie.com

Distribution of Shareholdings as on 31st March, 2022

Name of the Shareholders	No. of shares held	% of holding
Balmer Lawrie & Co. Ltd.	8,10,38,977	60
Visakhapatnam Port Logistics Park Ltd.	5,40,25,985	40
Sandip Das jointly with Balmer Lawrie & Co. Ltd.	1	0

Disclosures

- (a) Disclosures on materially significant Related Party Transactions (RPT) that may have potential conflict with the interest of the Company at large:
There were no materially significant Related Party Transactions. None of the RPT had any conflict with interests of the Company. All the RPT have been detailed in Note no. 25.6 of the Annual Financial Statement.
- (b) 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:
No penalty or stricture was imposed on the Company by any statutory authority on any matter relating to guidelines issued by the Government during the last 3(three) years.
- (c) Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee.
Pursuant to the Corporate Governance Guidelines 2010, the Company being unlisted CPSE, established a whistle blower policy for its employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the general guidelines on conduct or ethics policy. This policy was introduced from May 2022. The Chairperson of the Audit Committee is the Ombudsperson under the Policy. The Policy has been posted on the Company's website. Since inception of this Policy and as on the date of reporting there were no such situation where a personnel has been denied access to the Audit Committee.
- (d) Details of compliance with the requirements of these guidelines
The Company has complied with the guidelines on Corporate Governance for CPSEs, except, the presence of independent directors on its Board.
- (e) Details of Presidential Directives issued by the Central Government and their compliance during the year and also in the last three years.
Nil
- (f) Items of expenditure debited in books of accounts, which are not for the purposes of the business.
All expenditures which were incurred during the period under review were for the purpose of business.
- (g) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.
No expenses of personal nature are incurred for the Directors and Senior Management of the Company.
- (h) Details of Administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase.
During the financial year 2021-22, the total Administrative and Other expenses comes to the tune 24% of the total expenses as against 25% compared to the previous financial year 2020-21.

Audit qualification

There were no adverse comments/qualification of the Statutory Auditors.

Training of the Board Members

The Company is in the process of planning a training schedule for its Board members.

Whistle Blower Policy

This policy has been introduced from May 2022. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about any serious irregularities within the Company.

The Policy is made for all categories of employees of the Company. The Policy covers all sorts of malpractices and events which have taken place / or suspected to take place within the Company.

It has been clearly mentioned in the Policy that no unfair treatment will be meted out to a Whistle Blower by virtue of his / her having reported a Protected Disclosure under this Policy and the identity of the Whistle Blower shall always be kept confidential even after the matter is closed.



N.K. & Associates
Company Secretaries

159, Rabindra Sarani,

Kolkata-700007

Phone : +91-33-4601-3950

Email: kothari.navin@yahoo.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[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
Kolkata

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, 2022 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, 2022 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);

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.

N. K & ASSOCIATES

Continuation Sheet

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 below:

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.
3. In terms of Section 177(9), the Company has not constituted Vigil mechanism for directors and employees to report genuine concern policy.

We further report that,

The Company has filed all the requisite information to the Registrar of Companies/ Ministry of Corporate Affairs, by filing appropriate e-forms within the stipulated time, except, one e-form which was filed with one day delay with additional fees. However, the above should be regarded as compliance under Section 403 of the Companies Act, 2013.

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.

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**

**Navin Kothari
Proprietor**

**Place: Kolkata
Date: 19.07.2022**

**FCS No. 5935 C P No.: 3725
UDIN: F005935D000647059
Peer Review No.: 1384/2021**

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

N. K & ASSOCIATES

Continuation Sheet

‘Annexure A’

To,
The Members
VISAKHAPATNAM PORT LOGISTICS PARK LIMITED
Kolkata

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**

**Navin Kothari
Proprietor**

**Place: Kolkata
Date: 19.07.2022**

**FCS No. 5935 C P No.: 3725
UDIN: F005935D000647059
Peer Review No.: 1384/2021**



N.K. & Associates
Company Secretaries

159, Rabindra Sarani,
Kolkata-700007
Phone : +91-33-4601-3950
Email: kothari.navin@yahoo.com

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Visakhapatnam Port Logistics Park Limited,
Kolkata

We have examined the compliance of conditions of corporate governance by Visakhapatnam Port Logistics Park Limited, ('the Company'), for the year ended 31st March, 2022, as stipulated under Corporate Governance Guidelines issued by the Department of Public Enterprise vide their OM. No. 18(8)/2005-GM dated 14th May, 2010.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned Regulations except that:

1. The Company did not have minimum required Independent Directors on its Board during the year.
2. The Company has more than 3 months gap in the meeting held between the period from 30.07.2021 to 03.11.2021.
3. The Audit Committee of the Company has been constituted but there is no Independent Director in the Committee.
4. The Company has not appointed Company Secretary but a designated professional is assigned to act as a Secretary to the board and the committee.

N. K & ASSOCIATES

Continuation Sheet

5. The Company did not have Remuneration Committee as there is no Key Managerial Personnel in the company where remuneration was required to be payable.
6. The Company has not constituted vigil mechanism and hence review of vigil mechanism for directors and employees concern was not complied.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

N. K & Associates
Company Secretaries

Navin Kothari
Proprietor
FCS No 5935 CP No 3725
Date: 19.07.2022
Place: Kolkata

UDIN: F005935D000647158
Peer Review No.: 1384/2021

Annexure 5

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 transaction under third proviso thereto for the financial year ended 31st March 2022.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

NIL

2. Details of contracts or arrangements or transactions at Arm's length basis:

Name (s) of the Related Party	Nature of relationship	Nature of contracts /arrangements /transaction	Duration of the contracts /arrangements /transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances to the related party (ies)
Balmer Lawrie & Co. Ltd.	Holding Company	Cargo Handling, Storage and Railway siding usage charges	It's a 2 years contract covering the period from 01.09.2021 to 31.08.2023	Providing of railway siding for unloading of Aluminum and allied products and warehousing of these products, which belongs to NALCO. Value of the transaction during the financial year ended 31 st March 2022 was Rs. 120.71 lacs	This contract was entered in the ordinary course of business and at arms-length basis and hence approval of the Board was not required under section 188 of the Companies Act, 2013. However it took nod of the Board on 3 rd November 2021.	Nil
Balmer Lawrie & Co. Ltd.	Holding Company	Rent for Office Space	On a temporary basis	It's a temporary arrangement of providing un-utilized office space to BL to generate revenue. Value of the transaction during the financial year ended 31 st March 2022 was Rs. 2.17 lacs	Approvals were taken on a quarterly basis.	Nil
Balmer Lawrie & Co. Ltd.	Holding Company	Purchase of Compressor Oil	Requirement based contract which was placed on 08.07.2021 and 24.12.2021,	Door delivery at TCW, Vizag, against payment of advance. Value of the transaction during the financial year ended 31 st March	This contract was entered in the ordinary course of business and at arms-length basis and hence approval of the Board was not	0.67

			respectively. 21 days from the date of placing the purchase order	2022 was Rs. 1.98 lacs	required under section 188 of the Companies Act, 2013. Approval was taken from the Audit Committee and noted by the Board on 30 th July 21 and 4 th February 22	
Balmer Lawrie & Co. Ltd.	Holding Company	Interest on unsecured loan	Temporary funding	Unsecured loan was granted to meet the urgency of fund in November 2018. Interest paid on such loan during the financial year ended 31 st March 2022 was Rs. 24.15 lacs.	Payment of interest on the loan amount has been approved on a quarterly basis on 30/07/21, 03/11/21, 04/02/22 and 13/05/22	Nil
Balmer Lawrie & Co. Ltd.	Holding Company	Purchase of Air-ticket	On a requirement basis	Purchase was made twice from BL Travel division. Payment was made on submission of bills. Value of the purchase was Rs. 0.42 lacs	Approvals were taken on 30/07/21 and 13/05/22, respectively.	Nil
Balmer Lawrie & Co. Ltd.	Holding Company	Reimburse ment of cost of out-sourced manpower	Two months contract covering the period from 01.04.2021 to 31.05.2021	Out-sourced manpower was provided by BL through its empaneled manpower recruitment agency on actual cost basis. Value of such transaction was Rs. 0.37 lacs.	Approval was taken on 30/07/21	Nil
Visakhapat nam Port Authority	Joint venture Partner	Lease rent	30 years	It was a 30 years long term lease of the project land with effect from 13 th January 2015. The upfront premium for 30 years lease was the cash equivalent of the consideration of 40% equity stake held by VPA in the Company. Only annually the Company has to pay	Payment of annual lease rent was approved on 30/07/21	Nil

				rent @ Re. 1/- per sq. mtr. Value of the lease rent paid on an annual basis was Rs. 2.15 lacs		
Visakhapatnam Port Authority	Joint venture Partner	Cost of water pipeline	One time contract	Laying of the water pipe-line within the project premises was given to the lessor of the premises. Value of the contract was Rs. 16.32 lacs.	Approval was taken on 13/05/22	Nil

All contracts or arrangements entered into with the related parties is in compliance with Section 188 of the Companies Act, 2013. Details of such transactions were also mentioned in Note no. 25.6, forming part of the Annual Financial Statement for the financial year ended 31st March 2022.

There were no material significant related party transactions that may have potential conflict with the interest of the Company at large.

Justification for entering into related party transaction

The Company does not have sufficient manpower or the network to manage its operations and therefore had to depend on its joint venture partners for necessary support on a day to day basis. The land on which the project was made was taken on lease for 30 years from one of its joint venture partners and hence lease rent for the land has to be paid on a yearly basis. All such transactions were entered into the normal course of business and dealt at arm's length basis.

INDEPENDENT AUDITOR'S REPORT

To Members of Visakhapatnam Port Logistics Park Limited

Report on the Audit of the Financial Statements.

On the basis of the observations made by the Comptroller & Auditor General of India, this revised Audit report is being issued in lieu of the earlier report dated 13th May 2022 to comply with the observations of the Comptroller & Auditor General of India.

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 March 31, 2022, 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 ("the Act") 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2022.
- (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.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigation which could have impact on its financial position in its financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) During the year the Company has not declared or paid dividend under section 123 of the Companies Act, 2013.

For ADR & ASSOCIATES
Chartered Accountants
Firm Registration No. 325092E

D S Tiwari
Partner
Membership No. 058824
UDIN: 22058824ALUHNT8480

Place: Kolkata
Date: 27.06.2022

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company has physically verified its Property, Plant and Equipment and Right-of-use assets during the year. No material discrepancies were noticed on such verification.
 - c) According to the informations and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) which are held in the name of the Company.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2.
 - a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
3. During the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii)(a) to (f) of the Order is 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 or amounts which are deemed to be 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 Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to 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 statutory dues specified in Clause 3 (vii)(a) outstanding which have not been deposited by the Company on account of any dispute.
8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(c) The Company has existing Term Loan of Rs 88.39 crore and FITL of Rs 3.12 crore (after reschedulement of Term Loan. The Company has availed Term Loan is Rs 90.62 crore from State Bank of India after restructuring of Term loan to the Company.
(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements, the Company has not raised funds on short-term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.
(e) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
10. (a) In our opinion and according to information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
11. (a) 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 nor material fraud on the Company, noticed or reported during the year, nor have we been informed of such cases by the Management.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(c) During the course of our examination of the books and records of the Company, and according to the informations given by the management, the Company has not received any whistle blower complaints during the year.
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. (a) In our opinion and according to information and explanations given by the management, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
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. (a) 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. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred any cash losses during the financial year as compared to the Cash losses of Rs.315.19 lakhs in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. The Company is not required to undertake Corporate Social Responsibility (CSR) activities in accordance with Section 135 of the Companies Act, 2013.

For ADR & ASSOCIATES
Chartered Accountants
Firm Registration No. 325092E

D S Tiwari
Partner
Membership No. 058824
UDIN: 22058824ALUHNT8480
Place: Kolkata
Date: 27.06.2022

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, 2022 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ADR & ASSOCIATES
Chartered Accountants
Firm Registration No. 325092E

D S Tiwari
Partner
Membership No. 058824
UDIN: 22058824ALUHNT8480

Place: Kolkata
Date: 27.06.2022

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

General Directions under section 143(5) of the Companies Act, 2013 in respect of Visakhapatnam Port Logistics Park Limited for the financial year 2021-2022:

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.	<p>According to the information and explanations given to us and based on our audit, all accounting transactions are routed through ERP system implemented by the Company. Yearend Financial Statements are compiled offline based on balances and transactions generated from ERP system.</p> <p>We have neither been informed nor we have come across during the course of our audit any accounting transactions having impact on the integrity of the accounts along with the financial implications which have been processed outside the IT system.</p>
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. Whether such cases are properly accounted for?	The Company has availed restructuring of its exiting Term Loans under the "Resolution framework of Covid-19- related stressed assets" issued by RBI. As per restructuring, the repayment tenure has been rescheduled from 7 to 9 years with an upward revision of interest by 2% . The effect of the same has been properly accounted for in the accounts
3	Whether funds (grants/ subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such funds received. Accordingly, there is no impact of the financial statements.

For ADR & ASSOCIATES
Chartered Accountants
Firm Registration No. 325092E

D S Tiwari
Partner
Membership No. 058824
UDIN: 22058824ALUHNT8480

Place: Kolkata
Date: 27.06.2022

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 2022

The preparation of financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2022 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 auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based in 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 Revised Audit Report dated 27 June 2022 which supersedes their earlier Audit Report dated 27 June 2022 which supersedes their earlier Audit Report dated 13 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2022 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report under section 143 (6) (b) of the Act.

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

**Place: Kolkata
Date: 14 Jul 2022**

**Suparna Deb
Director General of Audit (Mines)
Kolkata**

Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678
Balance Sheet as at 31st March 2022

		(₹ in Lakhs)		
	Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
	ASSETS			
1	Non-current assets			
(a)	Property, Plant and Equipment	1	14,416.95	15,127.07
(b)	Right-of-use assets	2	4,143.25	4,324.71
(c)	Capital Work-in-Progress	3	16.32	-
(d)	Other Intangible Assets	4	10.13	13.13
	Total Non-Current Assets		18,586.65	19,464.91
2	Current assets			
(a)	Financial Assets			
	i) Trade Receivables	5	238.53	145.25
	ii) Cash and Cash Equivalents	6	73.63	35.82
	iii) Other Balances with Bank	7	312.00	-
	iv) Others	8	40.24	49.05
(b)	Non Financial Assets - Others	9	514.10	604.91
	Total Current Assets		1,178.50	835.03
	TOTAL ASSETS		19,765.15	20,299.94
	EQUITY AND LIABILITIES			
1	Equity			
(a)	Equity Share Capital	10	13,506.50	13,506.50
(b)	Other Equity	11	(4,544.48)	(3,723.59)
	Total Equity		8,962.01	9,782.91
2	Liabilities			
(a)	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	12	8,415.92	8,877.18
	(ii) Lease liabilities	13	20.12	20.30
	Total Non-Current Liabilities		8,436.04	8,897.48
	Current liabilities			
(a)	Financial Liabilities			
	(i) Borrowings	13	230.03	230.03
	(ii) Lease liabilities	13	1.69	1.83
	(iii) Trade Payables	14		
	(a) Total outstanding dues of Micro,Medium and Small Enterprises		3.19	-
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		51.93	50.95
	iii) Other Financial Liabilities	15	1,590.50	877.40
(b)	Non Financial Liabilities - Others	16	472.01	448.06
(c)	Provisions	17	17.75	11.28
	Total Current Liabilities		2,367.10	1,619.55
	Total Liabilities		10,803.14	10,517.03
	TOTAL EQUITY AND LIABILITIES		19,765.15	20,299.94

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 ADR & ASSOCIATES
Chartered Accountants
Firm Registration No. 325092E

For and on behalf of
Visakhapatnam Port Logistics Park Limited

D. S. Tiwari
Partner
Membership No. 058824

Adhip N Palchaudhuri Sandip Das
(DIN: 08695322) (DIN: 08217697)
Director Director

Place: Kolkata
Date: 13 May 2022

Romonsebastian Louis A. Venu Prasad
(DIN: 08710802) (DIN: 09207446)
Director Director

Visakhapatnam Port Logistics Park Limited				
CIN - U63090WB2014GOI202678				
Statement of Profit and Loss for the period ended 31st March, 2022				
				(₹ in Lakhs)
	Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
	REVENUE			
I	Revenue from Operations	18	1,395.09	930.30
II	Other Income	19	10.28	3.95
III	Total Income (I + II)		1,405.37	934.25
	EXPENSES			
IV	Cost of Material Consumed and Services Rendered	20	88.07	157.45
	Employee Benefits Expenses	21	66.07	78.90
	Finance Costs	22	773.86	681.50
	Depreciation and Amortization Expenses	23	905.68	943.57
	Administration and Other Expenses	24	392.60	331.58
	Total Expenses (IV)		2,226.28	2,193.00
V	Profit before tax (III - IV)		(820.91)	(1,258.75)
VI	Tax Expenses:			
	Current Tax		-	-
	Deferred Tax		-	-
VII	Profit/ (Loss) for the year (V - VI)		(820.91)	(1,258.75)
VIII	Other Comprehensive Income for the year		-	-
IX	Total Comprehensive Income for the year (VII + VIII)		(820.91)	(1,258.75)
X	Earnings per equity share (Face Value of Rs. 10/- each)			
	i) Basic (in Rs.)		(0.61)	(0.93)
	ii) Diluted (in Rs.)		(0.61)	(0.93)

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 ADR & ASSOCIATES
Chartered Accountants
Firm Registration No. 325092E

For and on behalf of
Visakhapatnam Port Logistics Park Limited

Adhip N Palchaudhuri
(DIN: 08695322)
Director

Sandip Das
(DIN: 08217697)
Director

D. S. Tiwari
Partner
Membership No. 058824

Romonsebastian Louis
(DIN: 08710802)
Director

A. Venu Prasad
(DIN: 09207446)
Director

Place: Kolkata
Date: 13 May 2022

Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678
Cash Flow Statement for the year ended 31st March 2022

(₹ in Lakhs)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
A Cash flow from Operating Activities		
Net Profit / (Loss) before tax	(820.90)	(1,258.75)
Adjustment for -		
Depreciation & Amortisations	905.68	943.57
Interest	773.86	681.50
Provisions	5.57	11.28
Operating Profit before Working Capital Changes	864.21	377.59
Adjustment for -		
Current Liabilities	562.50	(839.80)
Current Assets	(124.21)	152.98
NET CASH FROM OPERATING ACTIVITIES	1,302.50	(309.23)
B Cash Flow from Investing Activities		
Fixed Assets - Capital Work in Progress	(16.32)	-
Purchase of Fixed Assets	(11.12)	(28.39)
Addition in Intangible assets under development	-	5.00
NET CASH FROM INVESTING ACTIVITIES	(27.44)	(23.39)
C Cash Flow from Financing Activities		
Payment of lease liabilities	(2.15)	(2.15)
Proceeds from Borrowings	(461.26)	990.13
Interest	(773.86)	(681.50)
NET CASH FROM FINANCING ACTIVITIES	(1,237.27)	306.48
Net Changes in Cash & Cash Equivalents (A+B+C)	37.81	(26.14)
Cash & Cash Equivalent Opening Balance	35.82	61.96
Cash & Cash Equivalent Closing Balance	73.63	35.82

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 ADR & ASSOCIATES
Chartered Accountants
Firm Registration No. 325092E

D. S. Tiwari
Partner
Membership No. 058824

Place: Kolkata
Date: 13 May 2022

For and on behalf of
Visakhapatnam Port Logistics Park Limited

Adhip N Palchaudhuri
(DIN: 08695322)
Director

Romonsebastian Louis
(DIN: 08710802)
Director

Sandip Das
(DIN: 08217697)
Director

A. Venu Prasad
(DIN: 09207446)
Director

Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678
Statement of Changes in Equity for the period ended 31st March 2022

A. Equity Share Capital

(₹ in Lakhs)

(1) **Current reporting period**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
13,506.50	0	13,506.50	0	13,506.50

(2) **Previous reporting period**

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
13,506.50	0	13,506.50	0	13,506.50

B. Other Equity

(₹ in Lakhs)

(1) **Current reporting period**

Current reporting period	Reserves and Surplus				Total
	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income (OCI) Reserve	
Balance at the beginning of the current reporting period	-	-	(3,723.59)	-	(3,723.59)
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current Year	-	-	(820.90)	-	(820.90)
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Bonus shares issued	-	-	-	-	-
Retained earnings adjustment	-	-	-	-	-
Remeasurement gain/(loss) during the year	-	-	-	-	-
Balance at the end of the current reporting period	-	-	(4,544.49)	-	(4,544.49)

(2) **Previous reporting period**

Previous reporting period	Reserves and Surplus				Total
	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income (OCI) Reserve	
Balance at the beginning of the previous reporting period	-	-	(2,464.83)	-	(2,464.83)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-
Total Comprehensive Income for the previous Year	-	-	(1,258.76)	-	(1,258.76)
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Bonus shares issued	-	-	-	-	-
Retained earnings adjustment	-	-	-	-	-
Remeasurement gain/(loss) during the year	-	-	-	-	-
Balance at the end of the previous reporting period	-	-	(3,723.59)	-	(3,723.59)

This is the Statement of Changes in Equity referred to in our report of even date.

As per our report attached

For ADR & ASSOCIATES
Chartered Accountants
Firm Registration No. 325092E

For and on behalf of
Visakhapatnam Port Logistics Park Limited

Adhip N Palchaudhuri
(DIN: 08695322)
Director

Sandip Das
(DIN: 08217697)
Director

D. S. Tiwari
Partner
Membership No. 058824

Romonsebastian Louis
(DIN: 08710802)
Director

A. Venu Prasad
(DIN: 09207446)
Director

Place: Kolkata
Date: 13 May 2022

Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678

I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2022

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, 2022 are authorised and approved for issue by the Board of Directors. Amendments to the financial statements are permitted after approval.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Historical cost convention

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

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

2.2 Operating Cycle

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

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

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

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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
Railway's 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 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.

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2.5 Impairment of Assets

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

2.6 Investment property

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

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

2.7 Inventories

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

2.8 Financial Instruments

Recognition, initial measurement and De recognition

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

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

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Classification and subsequent measurement of financial assets

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

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

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

Amortised cost

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

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

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

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

Derivative financial instruments are carried at FVTPL.

2.9 Government grants

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

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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 2022**
- 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/NPS are charged to Profit and Loss.
- b) Employee benefits in respect of Gratuity, Leave Encashment, Long Service awards are charged to Profit & Loss on the basis of actuarial valuation made at the year end.
- c) Post-retirement medical benefit is also recognized on the basis of actuarial valuation made at the year end.

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

2.12 Leases

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

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

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

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

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

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

2.13 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

2.14 Income taxes

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

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

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

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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.

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 showcause 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.

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2.17 Borrowing Cost

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

2.18 Cash Flow Statement

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

2.19 Prior period Items

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

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

2.20 Earnings per share

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

2.21 Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are

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applicable from April 1, 2021. Key amendments relating to Division II which relate to the Company whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

For ADR & ASSOCIATES
Chartered Accountants
Firm Registration No.
325092E

For and on behalf of
Visakhapatnam Port Logistics Park Limited

D. S. Tiwari
Partner
Membership No. 058824

Place: Kolkata
Date: 13 May 2022

Adhip N Palchaudhuri
(DIN: 08695322)
Director

Romonsebastian Louis
(DIN: 08710802)
Director

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(DIN: 08217697)
Director

A. Venu Prasad
(DIN: 09207446)
Director

Visakhapatnam Port Logistics Park Limited
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II. Notes forming part of the Financial Statements as at 31st March 2022

1 :- Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Building & Sidings	Factory Building	Electrical Installation and Equipments	Furniture and Fittings	Office Equipments	Plant & Machineries	Railways sidings	Computers & Data Processing Units	Total
Year ended 31st March 2021									
Gross carrying amount									
Opening Gross Carrying Amount	9,862.38	3,746.12	1,120.88	334.60	0.08	1,604.26	401.67	2.30	17,072.29
Additions during the year			0.14		9.99	-		3.26	13.39
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	9,862.38	3,746.12	1,121.02	334.60	10.07	1,604.26	401.67	5.56	17,085.68
Accumulated Depreciation									
Opening Accumulated Depreciation	700.93	204.86	115.08	39.71	0.02	108.49	27.15	2.13	1,198.37
Depreciation charge during the year	360.76	139.57	101.23	29.65	2.93	100.72	25.20	0.18	760.24
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	1,061.69	344.43	216.31	69.36	2.95	209.21	52.35	2.31	1,958.61
Net Carrying Amount	8,800.69	3,401.69	904.71	265.24	7.12	1,395.05	349.32	3.25	15,127.07
Year ended 31st March 2022									
Gross carrying amount									
Opening Gross Carrying Amount	9,862.38	3,746.12	1,121.02	334.60	10.07	1,604.26	401.67	5.56	17,085.68
Additions during the year			0.28		10.00	0.84			11.12
Deduction / Adjustments during the year									-
Closing Gross Carrying Amount	9,862.38	3,746.12	1,121.30	334.60	20.07	1,605.10	401.67	5.56	17,096.80
Accumulated Depreciation									
Opening Accumulated Depreciation	1,061.69	344.43	216.31	69.36	2.95	209.21	52.35	2.31	1,958.61
Depreciation charge during the year	346.77	134.16	91.13	26.69	3.42	94.01	23.52	1.54	721.24
Deduction / Adjustments during the year									-
Closing Accumulated Depreciation	1,408.46	478.59	307.44	96.05	6.37	303.22	75.87	3.85	2,679.85
Net Carrying Amount	8,453.92	3,267.53	813.86	238.55	13.70	1,301.88	325.80	1.71	14,416.95

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II. Notes forming part of the Financial Statements as at 31st March 2022

2 :- Right-of-use assets

(i) Amounts recognised in Balance sheet

(₹ in Lakhs)

Right of Use Assets	As at 31st March 2022		
	ROU Land Leasehold	ROU Others	Total
Gross Block			
Balance as at April 1, 2021	4,687.63	-	4,687.63
Additions during year	-	-	-
Gross Block as at Mar 31, 2022	4,687.63	-	4,687.63
Accumulated Depreciation			
Balance as at April 1, 2021	362.92	-	362.92
Depreciation charge for the year	181.46	-	181.46
Accumulated Depreciation as at 31st March, 2022	544.38	-	544.38
Net value of ROU Asset as at 31st March, 2022	4,143.25	-	4,143.25

(ii) The following is the break-up of current and non-current lease liabilities as at 31st March, 2022

(₹ in Lakhs)

Lease liabilities	As at 31st March 2022	As at 31st March 2021
Current	1.69	1.83
Non Current	20.12	20.30
Total	21.81	22.13

The following is the movement in lease liabilities during the period ended 31st March, 2022

(₹ in Lakhs)

Particulars	For the financial year 2021-22	For the financial year 2020-21
Balance at the beginning	22.13	22.42
Finance cost accrued during the year	1.82	1.85
Payment of lease liabilities	2.14	2.14
Balance at the end	21.81	22.13

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

Particulars	For the year ended 31st March 2022	
	ROU Land Leasehold	Rent
Depreciation expense of Right of Use assets	181.46	-
Interest expense on Lease Liabilities	1.82	-
Rent expense in term of short term leases	-	2.39
Total	183.28	2.39

Particulars	For the year ended 31 March 2021	
	ROU Land Leasehold	Rent
Depreciation expense of Right of Use assets	181.46	-
Interest expense on Lease Liabilities	1.82	-
Rent expense in term of short term leases	-	2.19
Total	183.28	2.19

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II. Notes forming part of the Financial Statements as at 31st March 2022

3 :- Capital Work-in-Progress

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

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Capital Work-in-Progress -Tubewell, Tanks & Miscellaneous Equipment	16.32	-
TOTAL	16.32	0.00

(₹ in Lakhs)

The CWIP ageing schedule is as under:	Amount in CWIP for a period of				
Capital Work-in-Progress (As on 31.03.2022)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	16.32	-	-	-	16.32
Projects temporarily suspended	-	-	-	-	-
Capital Work-in-Progress (As on 31.03.2021)	Amount in CWIP for a period of				
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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II. Notes forming part of the Financial Statements as at 31st March 2022

4 :- Other Intangible Assets - Computer Software

(₹ in Lakhs)

Particulars	Other Intangible Assets	Total
Year ended 31st March 2021		
Gross carrying amount		
Opening Gross Carrying Amount	-	-
Additions during the year	15.00	15.00
Deduction / Adjustments during the year	-	-
Closing Gross Carrying Amount	15.00	15.00
Accumulated Depreciation		
Opening Accumulated Depreciation	-	-
Depreciation charge during the year	1.87	1.87
Deduction / Adjustments during the year	-	-
Closing Accumulated Depreciation	1.87	1.87
Net Carrying Amount	13.13	13.13
Year ended 31st March 2022		
Gross carrying amount		
Opening Gross Carrying Amount	15.00	15.00
Additions during the year	-	-
Deduction / Adjustments during the year	-	-
Closing Gross Carrying Amount	15.00	15.00
Accumulated Depreciation		
Opening Accumulated Depreciation	1.87	1.87
Depreciation charge during the year	3.00	3.00
Deduction / Adjustments during the year	-	-
Closing Accumulated Depreciation	4.87	4.87
Net Carrying Amount	10.13	10.13

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II. Notes forming part of the Financial Statements as at 31st March 2022

5 :- Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Considered Good - unsecured		
Outstanding for a period exceeding six months	-	-
Others	238.53	145.25
Total	238.53	145.25

Trade Receivables ageing schedule as at 31st March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	238.53	-	-	-	-	238.53
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31st March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	145.25	-	-	-	-	145.25
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

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II. Notes forming part of the Financial Statements as at 31st March 2022

6 :- Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Balances with Banks		
In Current Account	73.63	35.82
Deposit Accounts' Balance		
Cheques, Drafts on hand	-	-
Cash on hand	-	-
Total	73.63	35.82

7 :- Other Balances with banks

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Earmarked balances with banks	312.00	-
Short-term Bank deposits	-	-
Total	312.00	-

8:- Current Financial Assets - Others

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Security Deposit	32.80	32.73
Accrued Interest- Receivable	7.44	-
Advances to Related Party:		
-Visakhapatnam Port Authority	-	16.32
Total	40.24	49.05

9 :- Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory Dues Recoverable	508.65	597.80
Other Prepaid Expenses	4.95	6.58
Sundry expenses recoverable	0.50	0.53
Total	514.10	604.91

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II. Notes forming part of the Financial Statements as at 31st March 2022

10 :- Equity Share Capital

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

Particulars	(₹ in Lakhs)	
	As at 31st March 2022	As at 31st March 2021
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 2022	31st March 2021
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 2022	31st March 2021
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	2021-22		2020-21	
	No of shares	%	No of shares	%
Balmer Lawrie and Company Limited	8,10,38,977	60	8,10,38,977	60
Visakhapatnam Port Authority *	5,40,25,985	40	5,40,25,985	40
Shri Sandip Das (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 Authority 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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II. Notes forming part of the Financial Statements as at 31st March 2022

11:- Other Equity

(i) Details of Other Equity are as under :

Particulars	As at 31st March 2022	As at 31st March 2021
Retained Earnings / Surplus	(4,544.48)	(3,723.58)
Total	(4,544.48)	(3,723.58)

(ii) Movement in Other Equity are as under :

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	(3,723.58)	(2,464.83)
Add: Transferred from Statement of Profit & Loss	(820.90)	(1,258.75)
Total Retained Earnings / Surplus	(4,544.48)	(3,723.58)

Non Current Financial Liabilities

12:- Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Borrowings:		
Term Loan from SBI **	8,415.92	8,877.18
Others		
TOTAL	8,415.92	8,877.18

Current Financial Liabilities -

12 (a) Borrowings :

(₹ in Lakhs)

Particulars		
Current maturities of Term Loan from SBI	646.29	-
TOTAL	646.29	

**** Note - 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.9,062.21 lakhs
Rate of Interest:	8.75% on Term Loan and 9.75% on FITL
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.

i) Company has availed restructuring of the repayment schedule of Term Loan outstanding Rs.88.39 crore as on 01.09.2020 with change in tenor of the loan from 7 years and 0 months to 9 years and 0 months (including moratorium of 24 months). The repayment to commence from 30.09.2022.

ii) Conversion of 6 months interest in TL (between Sep'20 and Feb'21) amounting to Rs.3.12 crore into Funded Interest Term Loan I (FITL), repayable in 8 quarterly instalments commencing from 30.06.2021 (total tenor 2 years)

13:- Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Right of Use Liability:		
Current lease liability	1.69	1.83
Non-current lease liability	20.12	20.30
	21.81	22.13

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II. Notes forming part of the Financial Statements as at 31st March 2022

14:- Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Payable to Micro.Medium and Small Enterprises	3.19	-
Other Trade Payables	51.94	50.95
	55.13	50.95

Trade Payables ageing schedule as at 31st March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	3.19	-	-	-	3.19
(ii) Others	51.94	-	-	-	51.94
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule as at 31st March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	50.95	-	-	-	50.95
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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II. Notes forming part of the Financial Statements as at 31st March 2022

15:- Current Financial Liabilities - Others

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Payable to Related Party: - Balmer Lawrie & Co Ltd	631.20	606.90
Others - Security Deposits / Other Deposit	288.38	252.43
Other Liabilities	24.64	18.07
Total	944.22	877.40

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II. Notes forming part of the Financial Statements as at 31st March 2022

Non Financial Liabilities:

16:- Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory Remittances	3.94	2.62
Advance from Customers	0.03	0.03
Capital Creditors	466.29	442.95
Other Current Liabilities	1.76	2.46
Total	472.02	448.06

17:- Current Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Audit fee	0.90	0.60
Provision for Employee Benefits	16.85	10.68
Total	17.75	11.28

18:- Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Sale of services		
Storage charges	1,047.23	642.59
Other service fees	347.86	287.71
Total	1395.09	930.30

19:- Other Income

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the financial year 2020-21
Interest Income	8.64	3.25
Other Income	1.64	0.70
Total	10.28	3.95

20:- Cost of Material Consumed and Services Rendered

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the financial year 2020-21
Cost of Services Rendered	88.07	157.45
Total	88.07	157.45

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II. Notes forming part of Financial Statements for the year ended 31st March 2022

21:- Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries and Wages	53.78	64.91
Contribution to Provident and other Funds	9.67	10.30
Staff Welfare Expenses	2.62	3.69
Total	66.07	78.90

22:- Finance Costs

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on secured loan	747.88	655.50
Interest on unsecured loan	24.15	24.15
Interest expenses on lease liabilities	1.83	1.85
Total	773.86	681.50

23:- Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on Property, Plant and Equipment	721.22	760.24
Amortisation on Intangible Assets	3.00	1.87
Depreciation on Right-of-use assets	181.46	181.46
Total	905.68	943.57

24:- Administration and Other Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Repairs & Maintenance		
For Buildings	8.28	2.73
For Plant & Machineries	38.96	42.92
For Others	3.40	3.01
Rent *	2.39	2.19
Rates & Taxes	15.08	1.24
Travelling and Conveyance Expenses	5.68	7.03
Printing and Stationery	1.40	0.87
Postage & Courier Charges	0.10	0.20
Electricity, Water & Gas Charges	192.59	182.25
Office Expenses	7.96	9.18
Insurance	24.69	24.86
Bank charges#	29.08	5.34
Payment to Auditor		
Statutory Audit Fees	0.60	0.60
Tax Audit Fees	0.15	0.00
For Other Services	0.45	0.53
Professional & other fees	19.96	14.74
Security service cost	35.41	30.39
Telephone and Internet Expenses	4.48	3.10
Miscellaneous Expenses	1.94	0.40
Total	392.60	331.58

Bank charges includes the upfront processing charges of Rs. 22.88 lacs for Term Loan Restructuring

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

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25 Additional Disclosures forming part of Financial Statements for the year ended 31st March 2022

25.1 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 Authority.

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

25.2 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 started its commercial operations in FY 2019-20 and based on the 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.

25.3 Financial instruments by category

(₹ in Lakhs)

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

Particulars	31-Mar-22	31-Mar-21
Financial Assets		
Trade Receivables	238.53	145.25
Cash and Cash Equivalents	73.63	35.82
Other Balances with Bank	312.00	0.00
Others	40.24	49.06
TOTAL	664.40	230.13
Financial liabilities		
Borrowings - Long Term	8,415.92	8,922.15
Borrowings - Short Term	230.03	230.03
Other financial liabilities	1,645.62	928.35
TOTAL	10,291.57	10,080.53

25.4 Term Loan

The lender of the Company has approved a restructuring of its Term Loan under Reserve Bank of India's Resolution Framework for Covid 19 related stress. As per the new terms and conditions, the repayment period has been rescheduled and deferred by 2 years and is due to start from 30th September 2022 on quarterly basis.

25.5 During the year no short-term borrowings (unsecured) has been availed from the Holding Company other than the existing loan at an agreed interest rate is 10.5% p.a. The repayment terms of the loan have not yet been determined. Outstanding balance of loan is shown below:

Particulars	(₹ in Lakhs)	
	31-Mar-22	31-Mar-21
Opening balance of loan	230.03	230.03
Add: Fresh borrowing during the year	-	-
Less: Repayment of loan during the year	-	-
Closing balance of loan	230.03	230.03

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25.6 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	31-03-2022	0.37	-	0.37
	31-03-2021	11.29	-	11.29
(ii) Purchase of goods	31-03-2022	1.98	16.32	18.30
	31-03-2021	1.07	-	1.07
(iii) Purchase of services	31-03-2022	0.42	-	0.42
	31-03-2021	0.62	-	0.62
(iv) Unsecured loan taken	31-03-2022	-	-	-
	31-03-2021	-	-	-
(v) Interest on unsecured loan expenses	31-03-2022	24.15	-	24.15
	31-03-2021	24.15	-	24.15
(vi) Lease rent expenses	31-03-2022	-	2.15	2.15
	31-03-2021	-	2.15	2.15
(vii) Sales & Others	31-03-2022	122.89	-	122.89
	31-03-2021	238.51	-	238.51
Balance at the end of financial year				
(viii) Net outstanding payable as on	31-03-2022	446.69	-	446.69
	31-03-2021	446.55	-	446.55
(ix) Outstanding loan balance as on	31-03-2022	230.03	-	230.03
	31-03-2021	230.03	-	230.03
(x) Interest on loan payable as on	31-03-2022	184.51	-	184.51
	31-03-2021	160.35	-	160.35
(xi) Advance for goods (net) as on	31-03-2022	-	-	-
	31-03-2021	-	16.32	16.32
(xii) Receivables	31-03-2022	47.89	-	47.89
	31-03-2021	39.61	-	39.61

25.7 Earnings per share

	For the financial year 2021-22	For the financial year 2020-21
Net Profit / (Loss) Available for Equity Shareholders (₹ in Lakhs)	(820.91)	(1,258.75)
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	(0.61)	(0.93)
Diluted Earnings Per Share	(0.61)	(0.93)

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Additional Disclosures forming part of Financial Statements for the year ended 31st March 2022

25.8 Key Financial Ratios

Srl No	Ratio	Items in Numerator	Items in Denominator	For the year ended 31.03.2022	For the year ended 31.03.2021	% Change compared to previous year.	Explanation for changes more than 25% compared to previous year
1	Current Ratio,	Current Assets	Current Liabilities	0.50	0.52	3.44%	
2	Debt-Equity Ratio,	Total Debts	Shareholder's Equity (Net Worth)	1.21	1.08	-12.13%	
3	Debt Service Coverage Ratio	PBIDT	Interest & Lease payments + Principal repayments	0.92	0.54	-71.95%	Due to restructuring resulting increase of rate
4	Return on Equity Ratio	PAT	Average Shareholder's equity (Average Net Worth)	-0.02	-0.03	27.55%	Improvement due to increase in sales and operating profit
5	Inventory turnover ratio	Total Turnover	Average Inventory	-	-		The company does not have any inventory
6	Trade Receivables turnover ratio	Total Turnover	Average Trade Receivable	1.82	2.32	21.73%	
7	Trade payables turnover ratio	Cost of Material consumed + Cost of Services	Average Trade payables	0.42	0.47	12.24%	
8	Net capital turnover ratio	Total Turnover	Working Capital	-1.17	-1.19	1.02%	
9	Net profit ratio	PAT	Total Turnover	-0.59	-1.35	56.51%	Improvement due to increase in sales and operating profit
10	Return on Capital Employed	PBIT	Net Worth+ Borrowings + Deferred Tax	-0.003	-0.03	91.57%	Improvement due to increase in sales and operating profit
11	Return on investment.	Dividend Income	Average Investment	-	-		The company does not have any investment

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26. Additional Disclosures forming part of Financial Statements for the year ended 31st March 2022

26.1 The company does not have any relationship as on 31.03.2022 or as on 31.03.2021 with struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

26.2 Details with respect to registration of charges or satisfaction with Registrar of Companies (ROC)

Sl. No.	Charge-holder name and address	Date of creation of charge	Date of modification of charge	Amount (Rs. in Lakhs)	Whether charge satisfied (Yes/ No)	Reason for delay in registration of satisfaction
1	State Bank of India Industrial Finance Branch 1, Middleton Street Jeevandeep Building, 2 nd floor, Kolkata – 700 071	24 th April 2018	18 th May 2018 (1 st modification) 11 th June 2021 (2 nd modification)	12,500 12,500 9,151	No No No	Not Applicable

26.3 The company does not have any such case at the balance sheet date as on 31.03.2022 or as on 31.03.2021, where the borrowings from banks and financial institutions have been used otherwise than for the specific purpose for which it was taken.

26.4 The company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets during the year ended 31.03.2022 or year ended 31.03.2021.

26.5 No proceeding have been initiated on or are pending against the company for holding any benami property under the “Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder during the year ended 31.03.2022 or year ended 31.03.2021.

26.6 The company has not been declared willful defaulter by any bank or financial Institution or other lender during the year ended 31.03.2022 or year ended 31.03.2021.

26.7 Clause (87) of section 2 of the Companies Act,2013 read with Rule 2 (2) (d) of the Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company, during the year ended 31.03.2022 or year ended 31.03.2021, being a Government Company as referred to in clause (45) of section 2 of the Act.

26.8. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 in respect of the company during the year ended 31.03.2022 or year ended 31.03.2021.

26.9 The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries during the year ended 31.03.2022 or year ended 31.03.2021.

Visakhapatnam Port Logistics Park Limited
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- 26.10 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Parties) with the understanding, (whether recorded in writing or otherwise) that the company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries during the year ended 31.03.2022 or year ended 31.03.2021.
- 26.11 The company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31.03.2022 or year ended 31.03.2021.
- 26.12 The company has no such transactions not recorded in the books of account which have been surrendered or disclosed as income during the year ended 31.03.2022 or year ended 31.03.2021 in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961) and there is no immunity either to not disclose the same. There are no such cases of previously unrecorded income and related assets which have been recorded in the books of account during the year ended 31.03.2022 or year ended 31.03.2021.

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

For ADR & ASSOCIATES
Chartered Accountants
Firm Registration No. 325092E

For and on behalf of
Visakhapatnam Port Logistics Park Limited

D. S. Tiwari
Partner
Membership No. 058824

Adhip N Palchaudhuri
(DIN: 08695322)
Director

Sandip Das
(DIN: 08217697)
Director

Place: Kolkata
Date: 13.05.2022

Romon Sebastian Louis
(DIN: 08710802)
Director

A. Venu Prasad
(DIN: 09207446)
Director



VISAKHAPATNAM
PORT LOGISTICS PARK LTD

A Balmer Lawrie-Visakhapatnam Port Trust JV