

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 20th May 2019 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 31st March 2019, 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 standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the accounting standard specified under section 133 of the Act,

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019.
- (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.

Other Matter

The Company is yet to appoint a full time Company Secretary in terms of Section 203(1) of the Companies Act 2013.

Our opinion is not modified in respect of this matter.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under section 143(5) of the Act, we give in "Annexure C", a statement on the Directions issued by the Comptroller & Auditor General of India, action taken thereon and its impact on the financial statements of the Company.

3. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
- e) Pursuant to notification no. G.S.R. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Section 164(2) of the Act pertaining to the disqualification of the Directors is not applicable to the Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) The reporting requirements in terms of section 197(16) of the Act, as amended is not applicable to the Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. The Company does not have any pending litigation which could have impact on its financial position in its financial statements.
 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



KGRS & CO

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

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

P. Dasgupta
(P. Dasgupta)
Partner
Membership No. 308801



Place: Kolkata
Date: July 30, 2019

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

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



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

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

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

P. Dasgupta
Partner
Membership No. 303801

Place: Kolkata
Date: July 30, 2019

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, 2019 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, 2019, 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 KGRS & Co
Chartered Accountants
Firm Registration No. 310014 E

P. Dasgupta
Partner
Membership No. 303801

Place: Kolkata
Date: July 30, 2019

Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678

Balance Sheet as on 31st March 2019

(₹ in Lakhs)

Particulars		Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS				
1 Non-current assets				
(a)	Property, Plant and Equipment	1	16,651.27	895.05
(b)	Capital Work in Progress	2	23.12	12,588.61
(c)	Other Non-Current Assets		4,502.29	4,643.77
	Total Non-Current Assets		21,176.68	18,127.43
2 Current assets				
(a) Financial Assets				
	i) Trade Receivables	3	1.45	-
	ii) Cash and Cash Equivalents	4	60.16	402.55
	iii) Others	5	48.07	96.20
(b)	Other Current Assets	6	860.48	539.68
	Total Current Assets		970.16	1,038.43
	TOTAL ASSETS		22,146.84	19,165.86
EQUITY AND LIABILITIES				
1 Equity				
(a)	Equity Share Capital	7	13,506.50	13,506.50
(b)	Other Equity	8	(860.05)	(303.45)
	Total Equity		12,646.45	13,203.05
2 Liabilities				
Non-Current Liabilities				
Financial Liabilities				
	i) Borrowings	9	5,581.78	-
	Total Non-Current Liabilities		5,581.78	-
Current liabilities				
(a) Financial Liabilities				
	i) Borrowings		230.03	2,031.72
	ii) Other financial liabilities	10	3,599.64	3,853.69
(b)	Short Term Provisions	11	67.63	18.95
(c)	Other Current Liabilities	12	21.31	58.45
	Total Current Liabilities		3,918.61	5,962.81
	Total Liabilities		9,500.39	5,962.81
	TOTAL EQUITY AND LIABILITIES		22,146.84	19,165.86

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

For KGRS & CO

Chartered Accountants

Firm Registration No. 110048E

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

For and on behalf of

Visakhapatnam Port Logistics Park Limited

Kalyan Swaminathan
Kalyan Swaminathan
(DIN: 06912345)
Director

Slyoma-Sundar Khuntia
Slyoma-Sundar Khuntia
(DIN: 07875677)
Director

Amal Kumar Mehera
Amal Kumar Mehera
(DIN: 07819788)
Director

Mannu Kumar Ganguly
Mannu Kumar Ganguly
(DIN: 01311109)
Director

Place: Kolkata

Date: May 20, 2019

Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	For the financial year 2018-19	For the financial year 2017-18
REVENUE			
I Revenue from Operations		0.54	-
II Other Income		0.66	-
III Total Income (I + II)		1.20	-
EXPENSES			
Employee Benefits Expenses	13	4.45	25.94
Finance Costs		151.96	0.00
Depreciation and Amortization Expenses	1	359.36	33.85
Administration and Other Expenses	14	42.03	42.19
Total Expenses (IV)		557.80	101.98
V Profit before tax (III - IV)		(556.60)	(101.98)
VI Tax Expenses:			
Current Tax		-	-
Deferred Tax		-	-
VII Profit/ (Loss) for the year (V - VI)		(556.60)	(101.98)
VIII Other Comprehensive Income for the year			-
IX Total Comprehensive Income for the year (VIII + IX)		(556.60)	(101.98)
X Earnings per equity share (Face Value of Rs. 10/- each)			
i) Basic (in Rs.)		(0.41)	(0.09)
ii) Diluted (in Rs.)		(0.41)	(0.09)

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

For KGRS & CO

Chartered Accountants

Firm Registration No. 19018E

P. Dasgupta


(P Dasgupta)

Partner

Membership No. 303801

Place: Kolkata

Date: May 20, 2019

For and on behalf of

Visakhapatnam Port Logistics Park Limited

Tam
Kalyan Swaminathan
(DIN: 06912345)
Director

Amal Kumar Mehera
Amal Kumar Mehera
(DIN: 07819788)
Director

Shyam Sundar Khuntia
Shyam Sundar Khuntia
(DIN: 07475677)
Director

Manas Kumar Ganguly
Manas Kumar Ganguly
(DIN: 01311109)
Director

Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678

Cash flow statement for the year ended 31st March 2019

(₹ In Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
A Cash flow from Operating Activities		
Net Profit / (Loss) before tax	(556.60)	(101.98)
Adjustment for -		
Depreciation & Amortisations	359.36	33.85
Interest	151.96	0
Provisions	67.63	18.95
Operating Loss before Working Capital Changes	22.35	(49.18)
Adjustment for -		
Current Liabilities	(310.13)	4,758.93
Current Assets	(132.65)	132.53
NET CASH FROM OPERATING ACTIVITIES	(420.43)	4,842.28
B Cash Flow from Investing Activities		
Fixed Assets - Capital Work in Progress	12,565.49	(8654.22)
Purchase of Fixed Assets	(16,115.58)	(902.60)
NET CASH FROM INVESTING ACTIVITIES	(3,550.09)	(9,556.82)
C Cash Flow from Financing Activities		
Proceeds from issuance of Shares	-	5,102.90
Proceeds from Borrowings	3,780.09	-
Interest	(151.96)	0.00
NET CASH FROM FINANCING ACTIVITIES	3,628.13	5,102.90
Net Changes in Cash & Cash Equivalents (A+B+C)	(342.39)	388.36
Cash & Cash Equivalent Opening Balance	402.55	14.18
Cash & Cash Equivalent Closing Balance	60.16	402.55

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions 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.

Amendment to IND AS 7

Effective April 1, 2017 the Company adopted the amendment to IND AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirements. The adoption of amendment did not have any material impact on the financial statements.

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

For KGRS & CO

Chartered Accountants

Firm Registration No. 200143

P. Dasgupta
(P. Dasgupta)
Partner
Membership No. 30380F



Place: Kolkata
Date: May 20, 2019

For and on behalf of

Visakhapatnam Port Logistics Park Limited

Kalyan Swaminathan
Kalyan Swaminathan
(DIN: 06912345)
Director

Amal Kumar Mehera
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Director

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(DIN: 01311109)
Director

Visakhapatnam Port Logistics Park Limited

CIN - U63090WB2014GOI202678

Statement of Changes in Equity for the year ended 31st March 2019

A. Equity Share Capital

Particulars	(₹ in Lakhs)
Balance as at 1st April 2017	3,001.00
Changes in equity share capital during the year	10,505.50
Balance as at 31st March 2018	13,506.50
Balance as at 1st April 2018	13,506.50
Changes in equity share capital during the year	0.00
Balance as at 31st March 2019	13,506.50

B. Other Equity

(₹ in Lakhs)

Particulars	Retained Earnings	Total
Balance as at 1st April 2017	(201.47)	(201.47)
Profit / (Loss) for the FY 2017-18	(101.98)	(101.98)
Balance as at 31st March 2018	(303.45)	(303.45)
Balance as at 1st April 2018	(303.45)	(303.45)
Profit / (Loss) for the FY 2018-19	(556.60)	(556.60)
Balance as at 31st March 2019	(860.05)	(860.05)

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


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

(P Dasgupta)
Partner
Membership No. 303801


Place: Kolkata
Date: May 20, 2019




For and on behalf of
Visakhapatnam Port Logistics Park Limited


Kalyan Swaminathan
(DIN: 06912345)
Director


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Director


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(DIN: 07475677)
Director


Manas Kumar Ganguly
(DIN: 01311109)
Director

I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2019

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 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.



I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2019

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

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

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

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

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

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

Depreciation / Amortisation:

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

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

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

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

The Residual values of all assets are taken as NIL.

2.4 Intangible Assets

- a) Expenditure incurred for acquiring intangible assets like software costing Rs.500,000 and above and license to use software per item of Rs.25,000 and above, from which economic benefits will flow over a period of time, is amortised over the estimated useful



I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2019

life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.

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

2.5 Impairment of Assets

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

2.6 Investment property

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

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

2.7 Inventories

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

2.8 Financial Instruments

Recognition, initial measurement and De recognition



1. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2019

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

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

Classification and subsequent measurement of financial assets

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

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

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

Amortised cost

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

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

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

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



L. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2019

Derivative financial instruments are carried at FVTPL.

2.9 Government grants

- a) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- b) Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- c) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.10 Revenue recognition

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

Services rendered:

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

Other income:

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

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

2.11 Employee benefits

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



I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2019

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

Finance leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term. Where the Company is a lessee in this type of arrangement, the related asset is recognized at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognized as a finance lease liability.

The assets held under finance leases are depreciated over their estimated useful lives or lease term, whichever is lower. The corresponding finance lease liability is reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

All other leases are treated as operating leases. Lease rentals for operating leases is recognized in Profit and loss on a straight-line basis over the lease term unless the rentals are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

2.13 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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



2.14 Income taxes

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

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

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

Deferred tax asset ("DTA") is recognized for all deductible temporary differences, carry forward of unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary difference, and the carry forward of unused tax credits and unused tax losses can be utilized or to the extent of taxable temporary differences except:

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

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.



I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2019

2.15 Provisions, Contingent liabilities and Capital commitments

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

2.16 Segment reporting

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

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

2.17 Borrowing Cost

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

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



I. Significant Accounting Policies and other explanatory information to the financial statements of Visakhapatnam Port Logistics Park Limited for the year ended 31 March 2019

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

2.20 Earnings per share

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



Visakhapatnam Port Logistics Park Limited
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IL Notes forming part of the Financial Statements as at 31st March 2019

1 :- Property, Plant and Equipment

(i) : Details of Property, Plant and Equipment (PPE) are as under :

(₹ 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 2018									
Gross carrying amount									
Opening Gross Carrying Amount	-	-	4.17	24.36	-	-	-	2.01	30.54
Additions during the year	902.23	-	(0.00)	-	0.00	-	-	0.37	902.60
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	902.23	-	4.17	24.36	0.00	-	-	2.38	933.14
Accumulated Depreciation:									
Opening Accumulated Depreciation	-	-	1.17	1.17	-	-	-	1.90	4.23
Depreciation charge during the year	29.99	-	0.60	3.23	-	-	-	0.03	33.85
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	29.99	-	1.77	4.40	-	-	-	1.93	38.09
Net Carrying Amount	872.24	-	2.40	19.95	0.00	-	-	0.45	895.05
Year ended 31st March 2019									
Gross carrying amount									
Opening Gross Carrying Amount	902.23	-	4.17	24.36	0.00	-	-	2.38	933.14
Additions during the year	8,960.15	3,746.12	1,116.33	310.09	0.07	1,581.14	401.67	-	16,115.58
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	9,862.38	3,746.12	1,120.50	324.45	0.08	1,581.14	401.67	2.38	17,048.72
Accumulated Depreciation:									
Opening Accumulated Depreciation	29.99	-	1.77	4.40	-	-	-	1.93	38.09
Depreciation charge during the year	295.62	59.65	0.86	2.36	0.01	0.58	0.15	0.13	359.36
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	325.62	59.65	2.63	6.76	0.01	0.58	0.15	2.06	397.45
Net Carrying Amount	9,536.76	3,686.47	1,117.87	327.70	0.07	1,580.56	401.53	0.32	16,651.27



Visakhapatnam Port Logistics Park Limited

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II. Notes forming part of the Financial Statements as at 31st March 2019

2 :- Capital Work-in-Progress

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

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Capital Work-in-Progress	23.12	11,743.82
Pre Production Expenses	-	844.79
TOTAL	23.12	12,588.61

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

Particulars	As at	
	31st March 2019	31st March 2018
Opening Balance as at beginning of the Year	11,743.82	3,669.50
Add: Capital work done during the Year	2,340.35	8,074.32
Add: Transferred from Pre-production Expenses	2,051.56	0.00
Less: Transferred to Fixed Assets	16,112.61	0.00
Closing Balance as at the end of the year	23.12	11,743.82

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

Particulars	As at	
	31st March 2019	31st March 2018
Opening Balance as at beginning of the Year	844.79	264.89
Add: Expenses incurred during the Year *	1,206.77	579.90
Less: Transferred to Capital Work in Progress	(2,051.56)	0.00
Closing Balance as at the end of the year	(0.00)	844.79

* The pre production expenses of Rs 2051.56 lakhs has been allocated to individual assets capitalised during the year.



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II. Notes forming part of the Financial Statements as at 31st March 2019

3 :- Trade Receivables

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Secured & Considered Good		
Outstanding for a period exceeding six months	-	-
Others	1.45	-
Total	1.45	-

4 :- Cash & Cash Equivalents

(i) : Details of Cash and Cash Equivalents are as under :

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Balances with Banks		
In Current Account	60.16	402.35
Cash on hand	-	0.20
Total	60.16	402.55

5:- Current Financial Assets - Others

(i) : Details of Current Financial Assets - Others are as under :

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Security Deposit	31.10	31.10
Other Deposits	0.40	0.40
Advance against Capex	16.57	64.70
Total	48.07	96.20

Non Financial Assets:

6 :- Other Current Assets

(i) : Details of Other Current Assets are as under :

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Statutory dues Recoverable	697.85	359.59
Prepaid Rent on Operating lease*	160.77	180.09
Other Prepaid Expenses	1.69	0.00
Sundry expenses recoverable	0.17	-
Total	860.48	539.68

*The lease agreement with Visakhapatnam Port Trust for around 50 acres of land for a period of 30 years has been classified as operating lease by the Company. Accordingly the lease premium has been classified as prepaid rent on operating lease. Out of total prepaid rent of Rs.4,663.08 lakhs (PY - Rs.4,823.85 lakhs), Rs. 160.79 lakhs (PY- Rs.180.09 lakhs) has been classified as current prepaid rent on operating lease.



Visakhapatnam Port Logistics Park Limited
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II. Notes forming part of the Financial Statements as at 31st March 2019

7 :- Equity Share Capital

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

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
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	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
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	(No. of Shares)	
	As at 31st March 2019	As at 31st March 2018
Equity Shares at the beginning of the year	13,50,64,963	3,00,10,000
Add : Equity Shares allotted during the year	-	10,50,54,963
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	2018-19		2017-18	
	No of shares	%	No of shares	%
Balmer Lawrie and Company Limited	8,10,38,977	60	8,10,38,977	60
Visakhapatnam Port Trust *	5,40,25,985	40	5,40,25,985	40
Shri Shyam Sundar Khuntia (As nominee of Balmer Lawrie & Co Ltd)	1	0	1	0
	13,50,64,963	100	13,50,64,963	100

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

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



Visakhapatnam Port Logistics Park Limited
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II. Notes forming part of the Financial Statements as at 31st March 2019

8:- Other Equity

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

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Retained Earnings / Surplus	(860.05)	(303.45)
Total	(860.05)	(303.45)

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

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	(303.45)	(201.47)
Add: Transferred from Statement of Profit & Loss	(556.60)	(101.98)
Total Retained Earnings / Surplus	(860.05)	(303.45)

9:- Non Current Financial Liabilities - Borrowings

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Term Loan from SBI #	5,581.78	-
	5,581.78	-

# Terms & conditions of the term loan from SBI along with security clause :-	
Nature of Facility:	Term Loan
Sanctioned Amount :	Rs.12,500 lakhs
Amount Availed :	Rs. 6,547.30 lakhs
Rate of Interest:	3 months MCLR plus 10 basis point
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.

10:- Current Financial Liabilities - Others

(i) : Details of Current Financial Liabilities - Others are as under :

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Capital Creditors	979.19	2,875.57
Payable to Balmer Lawrie & Co Ltd	459.15	193.10
Others - Security Deposits / Other Deposit	1,066.81	785.02
Current maturity of long term debt	965.51	0.00
Other Liabilities	128.98	0.00
Total	3,599.64	3,853.69



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II. Notes forming part of the Financial Statements as at 31st March 2019

11:- Current Liabilities - Short Term Provisions

(i) : Details of Current Liabilities - Provisions - Others are as under :

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Provision for Audit fee	0.50	0.25
Provision for Employee Benefits	19.03	18.70
Other Current Liabilities	48.10	0.00
Total	67.63	18.95

12:- Other Current Liabilities

(i) : Details of Other Current Liabilities are as under :

Particulars	As at	
	31st March 2019	31st March 2018
Statutory Remittances	21.31	58.45
Total	21.31	58.45



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II. Notes forming part of Financial Statements for the year ended 31st March 2019

13:- Employee Benefits Expenses

(i) Employee Benefits Expenses for the year are given below:

Particulars	(₹ in Lakhs)	
	For the financial year 2018-19	For the financial year 2017-18
Salaries and Wages	0.49	25.78
Staff Welfare Expenses	3.96	0.16
Total	4.45	25.94

Employee costs allocated by the Holding Company during FY 2018-19 on account of its employees deputed in the Company which are directly related to the Project are transferred entirely to pre-production expenses.

ii) Reconciliation of salary and Pre production expenses for the year are given below

Particulars	(₹ in Lakhs)	
	For the financial year 2018-19	For the financial year 2017-18
Total Salaries and staff welfare expenses	270.17	110.36
Less: Salary expenses qualifying for Pre - Production Expenses	265.72	84.42
Net Employee benefit expenses	4.45	25.94

14:- Administration and Other Expenses

(i) Administration and Other Expenses for the year are given below:

Particulars	(₹ in Lakhs)	
	For the financial year 2018-19	For the financial year 2017-18
Repairs & Maintenance Expenses	3.00	4.26
Office Expenses	7.27	2.57
Rent	2.55	2.90
Rates & Taxes	0.69	0.00
Travelling and Conveyance Expenses	12.84	9.58
Printing and Stationery	0.81	1.22
Postage & Courier Charges	0.24	0.00
Electricity, Water & Gas Charges	2.80	0.13
Legal and Company Law Expenses	0.63	12.39
Telephone and Internet Expenses	0.01	0.55
Vehicles Expenses	0.04	5.84
Fees and Subscriptions	1.82	0.22
Payment to Auditor		
Statutory Audit Fees	0.50	0.25
Other Expenses	8.83	2.28
Total	42.03	42.19



Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678

15 Additional Disclosures forming part of Financial Statements for the year ended 31st March 2019

15.1 Company Overview:

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

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

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

The Company's production facility is nearing completion. All major capital assets have been constructed/procured and capitalised. The expected date of commencement of commercial operations is September 2019.

15.2 Financial Risk Management:

The Company's activities currently expose it to liquidity risk and market risk. The Company, currently being in pre commencement phase is yet to be exposed to credit risk.

Market Risk

The Company has already started trial run operations during the FY 18-19 and expected date of commencement of commercial operation in September, 2019. Based on its commercial projections and other factors has adequately assessed commercial viability and addressed market risks.

Liquidity Risk

Till FY 17-18, the Company's principal source of liquidity were its share capital and unsecured borrowings from the Holding Company. During the year the Company has also availed term loan amounting to Rs 6,547.30 lakhs from State Bank of India out of sanctioned amount of Rs 12,500 lakhs. Therefore the Company believes that it will be able to meet its fund requirements and discharge its financial liabilities as and when they arise.

15.3 Financial Instruments by category

(₹ in Lakhs)

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

Particulars	31-Mar-19	31-Mar-18
Financial Assets		
Cash and Cash Equivalents	60.16	402.55
Others	48.07	96.20
TOTAL	108.22	498.75
Financial liabilities		
Borrowings - Long Term	5,581.78	0.00
Borrowings - Short Term	230.03	2,031.72
Other financial liabilities	3,599.64	3,853.69
TOTAL	9,411.46	5,885.41

15.4 Short Term Borrowings (unsecured) of Rs. 2,120 lakhs (PY - Rs.2,000 lakhs) has been availed from the Holding Company at the interest rate of 10.5% p.a. The repayment terms of the loan has not yet been determined.

15.5 There are no amounts that needs to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act,2006 pertaining to Micro and Small Enterprises as on 31st March 2019.



Visakhapatnam Port Logistics Park Limited
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15 Additional Disclosures forming part of Financial Statements for the year ended 31st March 2019

15.6 Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits) as on 31.03.2019, is Rs. Nil (PY Rs 1,710.25 lakhs).

15.7 List of Related Party

Holding Company	Balmer Lawrie & Co Ltd (CIN: 15492WB1924GOI004835)
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15.8 Transactions with Related Party

(₹ in Lakhs)

Particulars	For the financial year 2018-19	For the financial year 2017-18
Transactions during the financial year		
Expenditure incurred for the project to be reimbursed to Holding Company (outstanding)	265.72	207.92
Equity contribution	0.00	5,102.90
Unsecured loan taken	120.00	2,000.00
Interest on such Loan	111.82	35.24
Balance at the end of financial year		
Expenditure incurred for the project to be reimbursed to Holding Company	347.34	193.10
Investment in Equity	8,103.90	8,103.90
Loans Taken (including interest)	341.85	2,031.72

Earnings per share	For the financial year 2018- 19	For the financial year 2017- 18
Net Profit / (Loss) Available for Equity Shareholders (₹ in Lakhs)	(556.60)	(101.98)
Weighted Average Number of Shares for Basic Earnings Per Share	13,50,64,963	10,96,00,334
Weighted Average Number of Shares for Diluted Earnings Per Share	13,50,64,963	10,96,00,334
Nominal Value of Shares (Rs. Per Share)	10	10
Basic Earnings Per Share	(0.41)	(0.09)
Diluted Earnings Per Share	(0.41)	(0.09)

15.10 Capital Work-in-progress as at Balance Sheet date is comprised of:

(₹ in Lakhs)

Asset Classification *	For the financial year 2018- 19	For the financial year 2017- 18
Building & Civil (Land Development)	0.00	12,588.61
PEB Warehouse & Effluent Water Treatment Plant	131.04	0.00

* Final classification subject to final allocation / adjustment at the time of capitalisation.

15.11 Capitalisation of Capital Work-in-progress for the year ended 31st March, 2019:

During the financial year, the Company has capitalised, in three phases, major portion of its project assets. The Company has capitalised directly identifiable project overhead costs attributable to specific assets with the related assets. All common cost / not directly identifiable costs have been apportioned among assets on the basis of actual project cost ratio.

The Company's fixed asset register is under preparation.



Visakhapatnam Port Logistics Park Limited
CIN - U63090WB2014GOI202678

15 Additional Disclosures forming part of Financial Statements for the year ended 31st March 2019

15.12 Capitalisation of borrowing costs: (₹ in Lakhs)	
Particulars	Amount (Rs.)
Total borrowing costs included under Pre Production Expenses till 31st March 2018	35.24
Add: Total borrowing costs incurred during the year	424.38
Less: Amount of borrowing costs capitalised as on 31st March 2019	307.66
Amount of borrowings costs charged to the Statement of Profit & Loss	151.96

15.13 Contingent Liability

The company does not have any liability (other than those which has been recognised and provided in the books of accounts) which is contingent in nature as on 31st March 2019.

For KGRS & CO

Chartered Accountants

Firm Registration No. 110012E

P Dasgupta

(P Dasgupta)

Partner

Membership No. 30380



For and on behalf of

Visakhapatnam Port Logistics Park Limited

Kalyan Swaminathan
Kalyan Swaminathan
(DIN: 06912345)

Director

Amal Kumar Mehera
Amal Kumar Mehera
(DIN: 07819788)

Director

Shyam Sundar Khuntia
Shyam Sundar Khuntia
(DIN: 07475677)

Director

Manas Kumar Ganguly
Manas Kumar Ganguly
(DIN: 01311109)

Director

Place: Kolkata

Date: May 20, 2019