DIRECTORS' REPORT TO THE SHAREHOLDERS 2019-20

To,

The Members,

Your Directors have pleasure in presenting their 19h Annual Report of the Company together with the Audited Financials for the Financial Year ended 31st March 2020 .

FINANCIAL RESULTS:

The Financial Results for the year under review are summarized below ::

Rs. In lakhs)

Particulars	2019-20	2018-19
Operational Revenue	17555.71	17255.69
Other Revenue	1419.26	1410.64
Total Revenue	18974.97	18666.33
Expenditure before Interest ,Tax and Depreciation	10870.07	12954.22
Operating Profit (EBITDA)	8104.90	5712.11
Finance cost	3599.44	2568.52
Depreciation & Amortisation	3607.52	1458.61
Profit/Loss before Tax (IND -AS)	897.94	1684.98
Profit/Loss after Tax	770.34	1382.45
Reserves & Surplus	3445.99	2675.65
Cargo Volume handled (in Lakhs MTs)	72.30	70.85

2. FINANACIAL REVIEW :

On account of spread of Novel Corona Virus (COVID-19) Pandemic across the globe and in our Country since March'2020, your Company has to face disruption in its business operations caused by lockdown imposed by Government and the restrictions in movement of man power, vehicles and goods etc., At the same time, Port Services were declared as essential service by the Government of India and as such your company faced a major challenge of operating with reduced man power and consequent lower productivity especially in April'2020. However, your company protected its interest intimating force majeure situation to all its clients to deliver all services on best endeavor basis.

Decline in Business Volumes with delays in realization of service bills from all Customers, due to curtailment of their production and declaration of Force Majeure by the Port are the challenges your Company has faced during the First Quarter of the Current Year.

However, your Company first took all measures to protect safety and well being of its valuable human resources, implementing all safety measures and SOPs strictly as per Government's directives ensuring that the entire man power remain uninfected by the spread of Novel Corona virus.

It is a matter of pride that your Company has established its resilience to COVID-19 situation and handling a decent cargo volume in May & June 2020 by leveraging the good long term relationship and confidence level with its Customers.

Given the heightened uncertainty due to the COVID -19 pandemic, your company is focused on conserving cash and ensuring adequate liquidity to take care of potential disruptions in the operating environment. Accordingly, your Company, under the loan Moratorium Scheme of RBI deferred its two quarter Principal instalments due on Ist April'20 & 1st July 20 to IDFC Bank but has been servicing the interest dues regularly. Accordingly, the tenure of the Term loan will get extended by two quarters.

Your directors are glad to inform that your company has built a new conveyor system integrated with the existing conveyor system to augment the capacity of the Bulk Material handling System by stocking the cargo through the additional conveyors at three more stocking points. In addition to Coal customers, this facility will attract pet coke customers who desire to stock their cargo in a clean environment and evacuate by road from the stockpile.

3.Future Outlook and Investment Programme:

The adverse impact of COVID-19 on EXIM trade is likely to continue till end of Second Quarter of the Current Year, due to possible delay in revival of economic activities and pick up of consumption demand. However in view of your company's focus on limited major customers in Steel and Cement industry, having long term relationship with your Company, it is felt certain that your company would achieve its projected volume from Second Quarter of the Current Year. Your Company accordingly has projected to achieve a cargo throughput of 7.50 MnMTs in the current year 2020-21.

The Government of India has announced several COVID-19 relief measures for Rs. 20 Lakhs Crores which are aimed to boost the consumption demand, enhancement in liquidity and huge infra spending. This will go a long way in reviving the economy and enhancing consumption demand and same would greatly support the achievement of targets of your company for the current year.

Your Directors are glad to inform that the tariff revision proposal submitted by your company for upward revision of present Scale of Rates to Tariff Authority for Major Ports (TAMP) has been approved by the TAMP and the revised S.O.R. are notified in the Gazette on 18th June'20. Accordingly, the upward revision of tariff is effective from 18th July 2020.

4.Investment Programme:

Your Company has proposed to Purchase One Liebherr Mobile Harbour Crane with an approx.. Capex of Rs. 40 Crores towards replacement of its existing overaged Harbor Mobile Crane.

Your Directors are glad to inform that due to consistent follow up with VPT, the Port Trust is likely to commence berthing of Mini Cape size Vessels at EQ-8& EQ-9 Berths of your Company, carrying parcel size of about 120000 MTs. This is going to be a competitive edge to your Company to attract several Coal Customers chartering mini cape size vessels especially the traders from neighbouring ports.

5. Dividend:

Your Directors are not recommending any dividend for the financial year 2019-20 and desire to defer the same to the next Financial Year 2020-21 in view of the liquidity constraints.

5. Share Capital :

The Paid Up Equity Share Capital of the Company as on March 31, 2020 was Rs.87.19 Crores. There has been no change in the Equity Share Capital of the Company during the year.

6. Extract of Annual Return:

The extract of Annual Return in format MGT-9, for the Financial year 2019-20 has been prepared. The same can be accessed on the Company's website http://ww.vizagseaport.com

7. Number of Board Meetings:

The No. of Board Meeting/Committee Meetings held during the year and dates are given below:

No.	Type of Meeting	Date of Meeting
1	BOARD MEETING	10-05-2019
		29-08-2019
		23-11-2019
		12-02-2020 & 05 03 2020
2	AUDIT COMMITTEE MEETING	10-05-2019
		29-08-2019
		23-11-2019
		12-02-2020
		04-03-2020
3	REMUNERATION COMMITTEE MEEETING	04-03-2020
4	CSR Committee Meeting	10-05-2019 29-08-2019 23-11-2019
5	Annual General Meeting 2018-19 -18th	29-08-2019
6	Extra Ordinary General Meeting (EGM)	05-03-2020

The attendance of the directors at the Board and Committee meetings are as given below:

Name of the Director Mr./Mrs.	No. of Board Meetings Attended	No. of Audit Committee Meeting/RCM Attended
Kirti Shah	4	N.A.
Ragam Kishore	5	N.A.
Kishalay Bandophadhyay	4	5+1
Kishore Kumar Mohanty(*)	1	N.A
Shoumik Bose	1	N.A
Homai A. Daruwalla	3	5+1
Shiraz Erach Poonevala	4	5+1
V.V. Sudhakar Roy	5	N.A.
A.V. Vaitheeswaran	5	N.A.
Naresh Sansanwar	5	N.A
Chayan Bhattacharjee(**)	1	N.A.

(*) Resigned from 21st January 2020/(**) Joined from 21st January 2020.

8. Particulars of Loan

Guarantees and Investments under section 186 during the year under review are NIL. However, Section 186 is not applicable to your company as it is engaged in providing Infrastructure facility.

9. Particulars of Contracts or Arrangements with Related Parties:

The particulars of Contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 for the financial year 2019-20 in the prescribed format, AOC-2 has been enclosed with the report. (Annexure-I)

10. Material Changes Affecting the Financial Position of the Company after the date of Balance sheet:

Details regarding material changes/events occurring after balance sheet date till the date of the report is NIL.

11. Directors' Responsibility Statement:

In terms of provisions of Section 134(3) of the Companies Act, 2013, your Directors confirm that

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
(ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the company for that period;
(iii) 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 the Company and for preventing and detecting fraud and other irregularities;
(iv) The Directors had prepared the annual accounts on a going concern basis;
(v) 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.

12. Risk Management Framework:

The Company is following a Risk Management framework under which the risks covering the entire operations are identified and categorized as High, Medium and Low. All such risks are discussed in the periodical meetings with senior management team and appropriate pro-active actions taken. High risks impacting our major operations are informed to Board by circulation indicating the action plan for further advice or action. The risk details and mitigation plans are

also discussed periodically in the Audit Committee and the Board Meetings. In the opinion of the Board, the elements of risk threatening the Company's existence is very minimal.

13. **Details of Change in Directorship and Key Managerial Personnel:**

The details of Directors /KMP resigned/ joined during the year under review is as under:

No	Name	Designation	Din No.	With effect from	KMP
1	Mr. K.K. Mohanty	Director	80498	Resigned on 22 1 2020	No
2	Mr C Bhattacharjee	Director	107640	Joined on 22 1 2020	No

14. **Board of Directors** :

As on 31st March 2020, your Company's Board has a strength of 10 (Ten) Directors including 1(one) Women Director. The composition of the Board is as below :

No.	Category	No. of Directors
1	Executive Directors	3 (Three)
2	Non-Executive Directors	5 (Five)
3	Independent Directors	2 (Two)
	Total	10 (Ten)

15. **Appointment of Independent Directors** :

Your Company has re- appointed Ms. Homai A. Daruwalla as Independent Director to hold office for a period of 5 (five) years w.e.f. 05.03.2020 and Mr. Shiraz Erach Poonavalla as Independent Director to hold office for a period of 5 (five) years w.e.f. 14.3.2018, pursuant to Section 149(4) of the Companies Act, 2013.

16. **Constitution of Audit Committee** :

The Audit Committee of your Company pursuant to Section 177 of the Companies Act, 2013 consists of the following Directors :

No.	Name of the Director	Designation
	Mr/Ms.	
1	Shiraz Erach Poonevala	Chairman
2	Homai A Daruwalla	Independent Director
3	Kishalay Bandopadhyay	Director

17. **Constitution of Nomination and Remuneration Committee** :

Purusant to Section 178 of the Companies Act, 2013, your Company has constituted Nomination and Remuneration Committee with the following Directors.

	Name of the Director	Designation
1	Mr. Shiraz Erach Ponnevala	Chairman
2	Ms. Homai A Daruwalla	Independent Director
3	Mr. Kishalay Bandopadhyay	Director

18. **Key Managerial Personnel** :

No.	Name of the Directors	Designation
1	Mr. Ragam Kishore	CEO & Director
2	Mr. V. V. Sudhakar Roy	Director (Technical)
3	Mr. A.V. Vaitheeswaran	CFO & Director
4	Mr. N. Subbaraman	Company Secretary

19. **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

Conservation of Energy in all possible ways especially by savings in electricity, fuel and power consumption receive due attention of the Management and the same pursued on continuous basis.

Foreign Exchange earned: NIL

Foreign Exchange Outflow towards Technical Services- Rs 24,04,050/-

20. **Statement in respect of Internal Financial Control (IFC) and adequacy of internal control:**

The Company has established an internal Financial Control framework including internal controls over financial reporting, Operating controls and antifraud framework. The framework is reviewed regularly by the management and tested by internal auditors and presented to the audit committee. Based on periodical testing, the framework is strengthened from time to time to ensure adequacy and effectiveness of IFC. The Company has an operations Manual and proper internal control system to ensure that all the assets of the company are safeguarded and protected against any loss.

It is also ensured that all the transactions are properly authorized and recorded and information provided to Management are reliable and timely besides adherence to statutory obligations. The Internal control systems are supported by internal audit by an external audit firm. The Audit Committee meets periodically and reviews the Scope and Audit plan of Internal Audit with respect to adequacy of Internal Control. The reports of the internal auditors and the response of the Management to the audit observations are reviewed by the audit committee and also placed regularly in the Board meetings of the Company.

21. Declaration by Independent Directors:

The Independent directors have submitted their disclosure to the Board confirming that they fulfil all requirements on qualification for their appointment as Independent director under the provisions of Section 149 of the Companies Act, 2013. The Board confirms that the said Independent Directors meet the criteria as laid down under the Companies Act, 2013. During the year, all the recommendations by the Audit Committee were accepted by the Board.

22. Secretarial Auditor :

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Sekhar Babu, Practising Company Secretary, Vizag, to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report in form MR 3, as per Section 204(1) submitted by them is attached as **Annexure -II** which forms part of this report. The Secretarial Report does not contain any qualification, reservation, adverse remarks or disclaimer.

23. Cost Auditor :

Pursuant to notification issued by Ministry of Corporate Affairs, regarding the Companies (Cost Records & Audit) Rules, 2014 , your Company has appointed M/s DZR & Company, Cost & Management Accountants, Hyderabad, as Cost Auditors of the Company to conduct the Cost Audit for the financial year 2019-20.

The Cost Audit Report for the financial year 2018-19 was filed with Ministry of Corporate Affairs.

Your Company maintains cost records as specified by the Central Government under sub-section(1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

24. **Statutory Auditors**:

M/s BSR & Associates (FRN No. 116231(W) have completed the maximum tenure prescribed u/s 139 (2) of the Companies Act, 2013. In the AGM of the Company held on 15 9 2017, the Shareholders appointed M/s Natvarlal Vepari & Company, (Firm No. 106971 W) Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of 5 years. As per Companies Amendment Act 2017 in respect of Section 139, effective from 7th May 2018, no ratification of Auditor would be required in the AGM of your Company henceforth once the Auditor have been appointed for a term of 5 years by the Shareholders.

The Statutory Auditors' Report on the accounts of the Company for the financial year ended 31 3 2020 is placed at **Annexure-III** which forms part of this report. There are no adverse remarks or qualification in the Auditors' Report for the year 2019-20..

25. **Internal Audit :**

The Company has appointed M/s KPMG, Hyderabad as its Internal Auditor. The Internal Auditor monitors and evaluates the efficiency and adequacy of Internal Control system in the Company, its compliance with operating systems, accounting procedures and policies and reports the same on half yearly basis to Audit Committee.

26. **Corporate Social Responsibility (CSR) policy**:

Pursuant to Section 135 of the Companies Act, 2013 your company has re-constituted a CSR Committee with the following directors.

1. Ms. Homai Daruwalla, Chairperson of the Committee
2. Mr. Shiraz Erach Poonevala, Independent Director .
3. Mr. Ragam Kishore C.E.O & Director- Member.

The CSR policy formulated by the Committee and approved by the Board has been annexed to this report. **(Annexure-IV).** CSR Policy can be accessed on the Company's website http://www.vizagseaport.com.

The details of CSR amount to be spent for the accumulated amount during 2019-20 is as under :

No.	Year	CSR Amount	Remarks
1	2019-20	Rs. 43.27 Lakhs	1. Spent an amount of Rs. 2 lakhs on account of Display Board for Ambient Air Quality Monitoring System supplied to Andhra Pradesh Pollution Board. Recurring expenditure of Rs 2.0 lakhs per annum for Annual Maintenance. 2. Rs. 10 lakhs spent for COVID-19 relief measures in association with GVMC, Vizag. 3 Rs. 3.0 lakhs for School Building at Thiruvaur Dist. Through Rotary Club of Chennai Kilpauk Charitable Trust, Chennai 4. Rs. 30.00 lakhs earmarked for purchase of One State of the Art Ambulance as per directions of the District Collector, Vizag A.P

CSR table as per the format is enclosed. **(Refer Annexure V)**

27. **Statement indicating the Manner in which Formal Annual Evaluation has been made by the Board of its own performance, its Directors and that of its Committees.**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Audit, Nomination and Remuneration Committee. The evaluation of the performance of individual Directors including the Chairman of the Board was based on parameters such as level of engagement and contribution, safeguarding the interest of the Company, independence of Judgement etc.

28. **Nomination and Remuneration Committee policy:**

The Board based on the recommendation of the Nomination and Remuneration Committee of the Company has framed a policy for selection and appointment of Directors, Senior Management and their remuneration and the same is followed. This policy can be accessed on the Company's website http://www.vizagseaport.com.

29. Disclosure on Establishment of a Vigil mechanism :

The Company has framed a Vigil Mechanism/Whistle Blower Policy and communicated the same to all employees. The details of such policy can be accessed on the Company's website : http://www.vizagseaport.com.

30. Disclosure of Particulars of Remuneration under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 (Appendix-iii) is attached to this report. (Annexure- VI)

31. Details of significant and material orders passed by the resolution or courts or tribunal imparting the going concern status and company's operation in future are NIL.

32. Information under the sexual harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013. is NIL.

33. Industrial Relations :

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of the Employees have enabled the Company to sustain its competitive edge in the Industry.

34. Appreciation :

The Board wishes to place on record its appreciation of the contribution made by all employees of the Company during the year under review.

Your Directors also wish to record their appreciation for the co-operation, Counsel and Support received from Visakhapatnam Port Trust, Department of Central Excise and Customs, A.P Pollution Control Board, other Government departments/Agencies, Bankers, and all other stakeholders. Your Company looks forward to their continued support in the future.

For and on behalf of the Board of Directors

Ragam Kishore CEO & Director Place: Vishakapatnam Date: 11 06 2020	Kishalay Bandopadhyay. Director Place: Vishakapatnam Date: 11 06 2020

VIZAG SEAPORT
PRIVATE LIMITED

FORM NO. AOC-2(APPENDX-II)-

ANNEXURE - I

(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 arms length transactions under third proviso thereto :

I) Details of contracts or arrangements or transactions not at arm's length basis :

No.	Name of the Related Party	Nature of Relation	Nature of Contracts/arrangements/transactions.	Duration of the Contract	Salient terms of the Contract, including the Value	Details of approval by the Board	Amounts paid as advances if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	NIL	NIL	NIL	NIL	NIL	NIL	NIL

II) Details of material contracts or arrangement or transactions at arm's length basis :

S.No.	Name of the Related Party	Date of AC/Board Meeting - Approval Date	Details of Related Party	Nature &Material txn/Particulars of the Contract or arrangement	Max. Value of transaction
1)	Eversun Marine Trade (P) Ltd	08-05-14 14-03-18 18-01-19 10-05-19 04-03-20	Mr. R. Kishore CEO & Director is interested through his Wife & also the Promoter. He has already disclosed his interest in this Company.	1. Supply of On-Board equipment for Stevedoring & Labour Supply. Deployment of HMC as agents of ETA Ports, Chennai. 2. Supply of Man Power & Security Guard for various terminal operations. 3. Utilization of their Licensed Plots for availing	Rs. 70 Crores per per annum approx..(for all the Contract put together) On going contract subject to Annual Review

				vesselwise Cargo Storage services.. 4. Handling of Vessels at VSPL as agents of Ship Owner of Cargo receiver/exporter. 5.Handling of Vessels of VSPL clients at VPT Berths in case VSPL berths are pre-occupied so as to retain the customer base of VSPL.	

S.No.	Name of the Related Party	Date of Board Meeting – Approval Date	Details of Related Party	Nature &Material txn/Particulars of the Contract or arrangement	Max. Value of Transaction
2)	Eversun Sparkle Maritime Services Private Limited (ESMSPL) Name changed to Elgan India Martrade Private Ltd., w.e.f. 27 5 2020.	18 10 2018 & 4 3 2020	This Company is associate Company of our Holding Company. CEO & Director is interested through his relative and also as a Promoter. Mr. Kishaly Bandopadhaya Director is also interested by way ofPromoter and Director in this Company.	Manning & Maintenance of VSPL 30 nos. Dumpers.	Approx. Rs 5 (Five) Crores per annum & reimbursement of actual expenditure on cost to cost basis to ESMSPL by VSPL. On going contract subject to Annual Review.

S.No.	Name of the Related Party	Date of Board Meeting - Approval Date	Details of Related Party	Nature &Material txn/Particulars of the Contract or arrangement	Max. Value of Transaction
3)	Srivasta Techno Corporation LLP	16 5 2016 & 4 3 2020	Mr. VVS Roy one of the Director of VSPL is interested in this arrangement as Partner and Mr. Ragam Kishore, CEO & Director is interested through their relative.	Integrated handling services at EQ-8 Berth including O&M of BMHS, DSS/STP, In-motion weighbridges and associated other ancillary systems and service.	Approx. Rs 7 (Seven) Crores per annum. On going Contract subject to Annual Review.
4)	International Seaport Haldia Private Limited	20 9 2012 & 4 3 2020	Common Directorship in both the Companies.	50% share of Inventory cost for maintaining a critical common spare item for BMHS. This is an imported item with long lead time.	Approx. Rs 6 (six) Lakhs per annum. On going arrangement.

Annex-II

A.V.V.S.S. Ch.B. Sekhar Babu
COMPANY SECRETARY

Flat No 104
Lakshmi Apartments,
Kailashmetta, Waltair Uplands,
Visakhapatnam - 530 003
Tel : 0891-2536431
Telefax : 0891-2793783
E-mail : allachandrasekhar@gmail.com

Form No.MR-3 Date : 08.05.2020

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Vizag Seaport Private Limited

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vizag Seaport Private Limited (herein after called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion there on.

Based on my/our verification of the Vizag Seaport Private Limited 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, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by Vizag Seaport Private Limited ("the Company") for the financial year ended on 31st March,2020 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under;
II. Foreign Exchange Management Act, 1999and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

A.V.V.S.S. CH.B. SEKHAR BABU FCS: 4722 CP: 2337 Company Secretary

III. Indian Ports Act, 1908; Major Ports Act, 1963 (Industry specific laws applicable to the company)

I/we have also examined compliance with the applicable clauses of the following:

(i) Companies Act 2013 and rules made there under
(ii) Secretarial Standards issued by The Institute of Company Secretaries of India.
(iii) Various Economic and Labour legislations specifically applicable to the company

I/we further report that

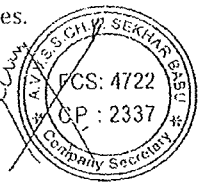
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I/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.

Signature:



Place : Visakhapatnam
Date : 8th May 2020
UDIN. F004722B000216615

A.V V S S Ch B Sekhar Babu
Practising Company Secretary
FCS No. 4722
C P No.: 2337

VIZAG SEAPORT PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Version.	1.1
Authorized by	CSR Committee

" Until you spread your wings, you will have no idea how far you can fly. Life is not about finding yourself, life is about creating yourself for the happiness of many "

1. CONTEXT :

VSPL (Vizag Seaport Private Limited) is a SPV formed for the purpose of implementing and operating two Multi cargo Berths under a BOT license issued by Visakhapatnam Port Trust for a period of 30 years as per the PPP Policy of the Government of India. VSPL is a subsidiary company of Gammon Infrastructure Projects Limited (GIPL), Mumbai, a Listed Public Company engaged in promotion of various Infrastructure Projects across the country under BOT mode.

The Company's focus has always been to contribute to the sustainable development of the society and environment and to make our planet a better place for future generations.

2. OBJECTIVES :

VSPL CSR Policy indents to:

- Strive for economic development, provide employment opportunity, that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

3. FOCUS AREAS :

In accordance with the requirements under the Companies Act, 2013, VSPL CSR activities, amongst others, will focus on

- EDUCATION :

  Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects.

- ENVIRONMENTAL SUSTAINABILITY :

  Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air, purification of water, installation of Plants, Green belt development.

4. UNDERTAKING CSR ACTIVITIES :

VSPL will undertake its CSR activities, approved by the CSR Committee, through such other entity/organization /In-House, as approved by the CSR Committee.

LOCATION OF CSR EFFORTS :

The CSR Committee will decide on the locations of the CSR activities.

5. GOALS

Our Goals include the following :

SL.NO.	GOAL AREA	Actions
1	Education	VSPL focus on education will be two fronts : a) To train students from under privileged backgrounds in its various developmental centres. b) Provide grants to various colleges in India for improving their infrastructure. Sponsor Chairs and create endowment funds for the college/universities to assist students with their studies. c) Adoption of villages/colleges d) Constructing Toilets in Schools/Colleges
2	Environmental sustainability.	Ensuring environmental sustainability, ecological balance protection of flora and fauna,save trees, water, earth, environment, and purification of water. Plantation of trees, Green Belt development, beautification of traffic spot, installation of Monitoring station to monitor the Pollution level in and around vizag.

6. COMPOSITION OF CSR COMMITTEE.

The CSR Committee shall consist of the following Directors.

No	Name of the Committee Members	Designation
1	Ms. Homai Daruwalla	Chairman
2	Mr. Shiraz Erach Poonavala	Member
3	Mr. Ragam Kishore	CEO & Director

7. RESPONSIBILITES OF THE COMMITTEE

The responsibilities of the CSR committee include :

- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.
- Recommending the amount of expenditure for the CSR activities, and
- Moitoring CSR activities from time to time.

8. GOVERNANCE :

VSPL will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. The Company can also undertake CSR activities as per the provisions of the Companies Act, 2013 through a Registered trust or Registered Society. VSPL will assist the CSR Committee in identifying the areas of CSR actitivites, programs and execution of initiatives as per defined guidelines. VSPL will also assist the Board and the CSR Committee in reporting the progress of deployed intitiatives and in making appropriate disclosures (internal/external) on a periodic basis.

9. FUNDING, SELECTION AND MONITORING PROCESS.

The Budget for the CSR projects will be decided by the CSR Committee in accordance with the provisions of the Act and the CSR rules.

VSPL with the help of internal management will focus areas and projects for implementation, prioritize the same and will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

VSPL representatives will monitor the status of the project and will report its compliance/findings to the CSR Committee periodically.

Any or all the provisions of this CSR Policy may be amended by the Board based on the recommendations of the CSR Committee or in accordance with any statutory guidelines that may be issued from time to time.

10. EFFECTIVE DATE :

This Policy is effective from 1st June 2017.

11. CONTACT :

For queries related to the CSR Policy, please write to us at: info@vizagseaport.com

ANNEXURE - V

ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR FINANCIAL YEAR 2019-20

No.	Description	Details
1	A Brief outline of the Company's CSR Policy including overview of Project or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects and Programs	The CSR Activities carried out by the Company are in accordance with the Policy, as laid down and approved by the Committee duly approved by the Board. The CSR Policy is available on the Company's website and web-link is : http://www.vizagseaport.com
2	The Composition of the CSR Committee	1.Ms. Homai Daruwalla Chairman 2.Mr. Shiraz Erach Poonevalla 3.Mr. Ragam Kishore,
3	**CSR Amount :** 2% of the Average Net Profit of the Company in the immediately three preceding Financial Years: 2016-17 Rs. 646.35 Lakhs : Total : 4520.89 2017-18 Rs.1813.20 Lakhs Average : 1506.96 2018-19 Rs. 2061.34 Lakhs 2% ... Rs. 30.14 lakhs 2019-20 Rs. 2491.56 Lakhs. Rs. 13.13 lakhs pertains to the year 2018 19	Rs. 30.14 Lakhs (for the year)
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above & previous accumulated CSR unspent amount	Total Rs. 43.27 lakhs (Rs. 30.14 lakhs plus Rs. 13.13 lakhs pertains to 18-19)
5	Details of CSR spent during the financial year (2019-20) Rs.12.00 Lakhs and Rs. 3.0 lakhs for School New Building at Thiruvur Dist. Tamil Nadu through Grameeya Seva Samithi through Rotary Club of Chennai Kilpauk Chairtable Trust and Rs. 30 lakhs earmarked for purchase of One Ambulance for Andhra Pradesh Medical Services.	Amount spent upto 31.3.2020 is Rs. 12.00 lakhs on account of a) Rs. 2.00 Lakhs on account of display Board for Portable Air Quality Monitoring System supplied to APPCB. Recurring expenditure of Rs. 2.0 lakhs per annum for Annual Maintenance of the System.

		b)Rs. 10 lakhs spent for COVID-19 Pandemic relief measures in association with GVMC, Vizag. c) Rs. 3.0 lakhs for School Building at Thiruvaur Dist. Through Rotary Club of Chennai Kilpauk Charitable Trust, Chennai. d) Rs. 30 lakhs earmarked for purchase of One State of the Art Ambulance as per directions of the Dist. Collector, A.P.. Vizag which will be spent before 30th September 2020.
6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof , the Company shall provide the reasons for not spending the amount in its Board Report	Not applicable
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company	We hereby state that implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

APPENDIX – III

ANNEXURE-VI

Statement under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

PARTICULARS :

No.	Details	CEO & Director
1	Name of the Employee	Mr. Ragam Kishore
2	Designation	CEO & Director
3	Remuneration Received	Rs. 158,00,000
4	Nature of Employment	Contractual
5	Qualification & Experience	M.Sc. - 33 years 30 Years
6	Date of Commencement of Employment	15.07.2004
7	Age of the Employee	64 Years
8	Last Employment held	AGM in SAIL
9	Percentage of Shares Held	NIL
10	Whether a relative of any Director or Manager	No

For and on behalf of the Board of Directors

Ragam Kishore. CEO & Director Place: Vishakapatnam Date: 11 06 2020	Kishalay Bandopadhyay. Director Place: Vishakapatnam Date: 11 06 2020

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

INDEPENDENT AUDITOR'S REPORT

To the Members of Vizag Seaport Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Vizag Seaport Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2020, its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis of 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 Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We invite attention to Note No.7.3 (a) relating to the amounts due from the Holding Company which are restructured and certain specific cash flows of the Holding Company are earmarked towards repayment. The management is confident of recovery and does

903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

not envisage any impairment. We have relied on the management assertions. Our report is not qualified on this matter.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the Other Information. The Other Information obtained at the date of this Auditor's Report is the Directors Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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

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

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

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

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

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

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

2. 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

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whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

4. 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.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make 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.

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

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

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 attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;

iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Nuzhat Khan
Partner
M. No. 124960
Mumbai ,Dated: June 11, 2020
UDIN: 20124960AAAAFD1638

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

ANNEXURE A

To the Independent Auditors' Report on the Standalone IND AS Financial Statements of Vizag Seaport Private Limited

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.

(b) Property, Plant & Equipment have been physically verified by the management during the year at reasonable intervals and no material discrepancies were identified on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, in case of immovable properties (assets covered under the License Agreement) as disclosed in note 5 to the IND AS financial statements, the title deeds and lease agreements are held in the name of the company.

(ii) (a) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the period;

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification on inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business;

(c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to book records.

(iii) The company has granted unsecured loan to Holding Company covered in the register maintained under section 189 of the Companies Act, 2013 ("The Act").

(a) In respect of the aforesaid loan, the terms and the conditions under which such loan was granted are not prejudicial to the Company's interest.

(b) In respect of the aforesaid loan, the schedule of repayment of Principal and payment of interest has been stipulated. The borrower has not been regular in repaying the principal and interest.

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(c) The loan and interest amount of Rs 13,864.33 lacs is lying for more than 90 days , however in respect of the aforesaid loan, the repayment has been rescheduled during the year and loan along with interest is expected to be received by April 30, 2021. The Company is regularly following up and taking reasonable steps to ensure repayment.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loan given to the extent applicable.

(v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to port operations, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) According to information and explanation given to us and on the basis of our examination of records of the Company, amount deducted or accrued in the books of accounts in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess, Goods and Service tax and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there were slight delays .

According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable

(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income tax, Sales tax, Service tax, duty of Customs, duty of excise, Value added tax, Goods and Service Tax dues which have not been deposited on account of any dispute except for the following dues of Income Tax:

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Name of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Penalty	590.10	2007-08	Income Tax Appellate Tribunal, Mumbai
Income Tax Act	Penalty	513.35	2010-11	Income Tax Appellate Tribunal, Mumbai
Income Tax Act	Penalty	26.82	2012-13	Income Tax Appellate Tribunal, Mumbai

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has during the year defaulted/delayed in repayment of interest to bank and Financial Institutions as mentioned in Note 13.1(d) to the Financial Statements, the same were made good as on March 31, 2020 and there were no outstanding dues as on March 31, 2020, The Company did not have any dues to Government and debenture holders during the year.

(ix) The Company has not raised any money by way of initial public offer and further public offer (including debt instrument). According to the information and explanations given to us and based on the documents and records produced to us, the Company has not taken any term loan during the year and therefore provision of clause 3(ix) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The

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details of related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standard.

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No.106971W

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Nuzhat Khan
Partner
Membership No. 124960
Mumbai, Dated: June 11, 2020
UDIN: 20124960AAAAFD1638

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls with reference to Financial Statements of Vizag Seaport Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to Financial Statements 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 with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their

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operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements.

Because of the inherent limitations of Financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of

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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 with reference to Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Nuzhat Khan
Partner
M. No. 124960
Mumbai, Dated: June 11, 2020
UDIN: 20124960AAAAFD1638

Vizag Seaport Private Limited
CIN : U45203AP2001PTC038955
Balance Sheet as at March 31, 2020
(All figures are Rupees in lacs unless otherwise stated)

Particulars	Note Ref	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	153.83	164.13
(b) Right of Use Asset-Leases	4	13,068.56	-
(c) Intangible Assets	5	16,974.11	18,375.02
(d) Intangible Assets under Development	6	241.63	6.73
(e) Financial Assets			
(I) Trade receivables	7.1	-	-
(ii) Loans and Advances	7.3	108.05	104.31
(iii) Other Financial Assets	7.4	-	-
(f) Deferred Tax Asset, Net	8	514.77	500.72
g) Other non current assets	9	1,901.11	1,655.55
		32,962.06	**20,806.46**
(2) Current Assets			
(a) Inventories	10	414.44	408.08
(b) Financial Assets			
(i) Trade receivables	7.1	2,445.82	1,998.30
(ii) Cash and cash equivalents	7.2	163.56	907.95
(iii) Bank balances	7.2	-	-
(iv) Loans and Advances	7.3	11,100.96	11,091.67
(v) Others Financial Assets	7.4	3,218.30	1,797.26
(c) Other current assets	9	411.15	676.98
		17,754.23	**16,880.24**
Total Assets		**50,716.29**	**37,686.70**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	11	8,719.13	8,719.13
(b) Other Equity	12	3,445.99	2,675.65
		12,165.11	**11,394.78**
Non-current liabilities			
(a) Financial Liabilities	13		
(i) Borrowings	13.1	14,994.00	17,131.53
(ii) Lease Liability	13.2	10,687.69	-
(iii) Other financial liabilities	13.3	-	-
(b) Provisions	14	2,771.03	2,301.48
		28,452.72	**19,433.01**
Current liabilities			
(a) Financial Liabilities	13		
(i) Borrowings	13.4	300.00	-
(ii) Lease Liability	13.2	2,963.55	-
(iii) Trade payables			
- Dues of Micro and Small Enterprise	13.5	-	-
- Dues of Other than Micro and Small Enter	13.5	2,428.22	2,323.64
(iv) Other financial liabilities	13.3	2,948.58	3,112.86
(b) Provisions	14	152.09	318.30
(c) Current Tax Liabilities (Net)		-	-
(d) Other current liabilities	15	1,306.01	1,104.12
		10,098.45	**6,858.92**
Total Equity and Liabilities		**50,716.29**	**37,686.70**

As per our report of even date attached.

For Natvarlal Vepari and Co.
Chartered Accountants
Firm Registration No. : 106971W

Nuzhat Khan
Partner
M.No.124960

Dated: June 11,2020
Place: Mumbai

For and on behalf of the Board of Directors of
Vizag Seaport Private Limited
CIN : U45203AP2001PTC038955

R Kishore
CEO &
DIN: 0000344011

Kishalay Bandopadhyay
Director
DIN: 0000255055

A V Vaitheeswaran

Subbaraman Natarajan
Company Secretary
M No: 6616

Dated: June 11,2020
Place: Vishakapatnam

26 **Expenditure incurred on Corporate Social Responsibility**

a) As per section 135 of the Companies Act, 2013, amount required to be spent by the company during the year ended March 31, 2020 and 2019 is Rs.30.14 lakhs and Rs.13.13 lakhs , respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of Rs.1.77 lakhs and 23 lakhs during the year ended March 31, 2020 and 2019, respectively, towards CSR expenditure for purposes of environment sustainability.

27 **Commitments**

Particulars	March 31, 2020	March 31, 2019
Capital Commitments	212.55	167.60
Total	**212.55**	**167.60**

28 **Contingent Liabilities**

(i)

Particulars	March 31, 2020	March 31, 2019
Bank Guarantees	210.24	261.74
Claims not acknowledged as debts		
Disputed Claims of VPT	1,009.41	1,009.41
Disputed Claims of Lease rentals	1,732.42	1,732.42
Disputed Claims and other matters	771.24	686.13

(ii) **Pending Litigations**

Particulars	March 31, 2020	March 31, 2019
Disputed Tax demand against which the Company has preferred appeals	1,130.27	1,130.27

(iii) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019 has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement. As such, the Company has, based on legal advice and as a matter of caution, made provision for an estimated amount on a prospective basis without considering any probable obligations for past periods. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

29 In the opinion of the Board of Directors, all assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

30 **Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.**

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. As the Company is engaged in providing only one type of service (port management services) to its customers, there are no differing risks and returns attributable to the Company's services to its customers. Further, the Company provides services only in one location. Therefore, no segment information has been disclosed in these financial statements, as the Company has only one geographical and business segment.

Entity level disclosure as required in IND AS 108

a) **Major Services**

The Companies major service is Bulk handling of Cargo and the revenue from the same during the period is Rs 16,810.06 lakhs (Previous period: Rs.16,317.79 lakhs).

b) **Major Customers**

The top four customers account for 44.55% of the total revenue earned during the year ended March 31,2020 (Previous period:Top four customers accounted for 48.46% of the total revenue earned).

c) **Information about Geographical areas**

Company's operation are confined in Vishakapatnam only. All its revenue are generated in the said geographical location.

31 **Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015**

Details are given in Annexure -1

32 **Derivative Instruments and Unhedged Foreign Currency Exposure**

There are no derivative instruments and unhedged Foreign Currency Exposure as on March 2020.

33 **Significant accounting judgements, estimates and assumptions**

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainity about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

34 **Financial Instruments**

i) **The carrying value and fair value of financial instruments by categories as at March 31, 2020, and March 31, 2019 is as follows:**

	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
a) **Financial Assets**				
Amortised Cost				
Loans	11,209.00	11,195.98	11,209.00	11,195.98
Others	3,218.30	1,797.26	3,218.30	1,797.26
Trade receivables	2,445.82	1,998.30	2,445.82	1,998.30
Cash and cash equivalents	163.56	907.95	163.56	907.95
Total Financial Assets	**17,036.69**	**15,899.49**	**17,036.69**	**15,899.49**
b) **Financial Liabilities**				
Amortised Cost				
Borrowings	17,441.15	19,377.09	17,441.15	19,377.09
Trade payables	2,428.22	2,323.64	2,428.22	2,323.64
Lease Liability	13,651.24	-	13,651.24	-
Others	801.42	867.31	801.42	867.31
Total Financial Liabilities	**34,322.04**	**22,568.03**	**34,322.04**	**22,568.03**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

35 **Fair value hierarchy**

During the year, the Company has no financial assets and liabilities which are measured at fair value.

36 **Financial Risk Management**

Risk management framework:

The Company's activites is exposed to variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

37 **Financial risk factors**

i) **Business / Market Risk**

Market risk is the risk that change in market prices such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. Objective of market risk management is to manage and limit exposure of the Company's earnings and equity to losses.

ii) **Capital and Interest rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term debt obligations and loan to holding Company with floating interest rates.

The interest rate profile of the Companies interest bearing financial instruments is as follows:

	As at 31 March 2020		As at 31 March 2019	
	Average interest rate	Balance outstanding	Average interest rate	Balance outstanding
Financial liabilites (Variable rate instruments)	%	Rs in lacs	%	Rs in lacs
Term loans	11.25	17,082.43	10.85	19,308.79
Other Loans	8.05	58.73	8.05	68.29
Loans from Related Parties	11.25	300.00	-	-
Financial assets (Variable rate instruments)				
Loan to related parties	11.75	10,977.41	12.2	10,977.41

iii) **Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings and loans given affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Changes in basis points	Effect on profit before tax	Effect on profit before tax
		2019-20	2018-19
Financial liabilites			
Interest rates - increase - 1%	100.00	(171.41)	(193.77)
Interest rates - decrease - 1%	(100.00)	171.41	193.77
Financial assets			
Interest rates - increase - 1%	100.00	109.77	109.77
Interest rates - decrease - 1%	(100.00)	(109.77)	(109.77)

iv) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation leading to financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including loans, short-term deposits with banks and other financial assets.

a) **Trade and Other Receivables**

Trade receivable :

The Company has exposure to credit risk from a limited customer group on account of specialised nature of business, i.e., port services provided by the Company. The Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries undertakings which are sovereign backed and other large corporates.

Trade receivables and unbilled revenue are unsecured and are derived from revenue earned from customers primarily located in India. Periodically, the Company evaluates all customer dues to the Company for collectability. The need for impairment is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customers operates, general economic factors, which could affect the customer's ability to settle. More than 95% of the Company's customers have been transacting with the Company for over five years and none of these customers' balance are credit impaired. An impairment analysis is performed at each reporting date on invoice wise receivable balances.

Other receivable :

The credit risk for liquid funds and other current and non-current financial assets is considered negligible, since the counterparties are reputable public sector units with high quality external credit ratings , holding Company and enterprises where significant influence exists.

(v) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating and financing activities. The Company's approach to managing liquidity is to ensure, as far as possible that it will have sufficient liquidity to meet its liability when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents adequate to finance the operations and to mitigate the effects of fluctuations in cash flow.

The Working Capital Position of the Company is given below:

Particulars	March 31, 2020	March 31, 2019
Cash and Bank Balance	163.56	907.95
Trade Receivable	2,445.82	1,998.30
Loans and Advances	11,100.96	11,091.67
Other Financial Assets	3,218.30	1,797.26
Total	**16,928.64**	**15,795.18**
Less:		
Borrowings	300.00	-
Lease Liability - ROU Asset	2,963.55	-
Trade payables	2,428.22	2,323.64
Other financial liabilities	2,948.58	3,112.86
	8,640.35	**5,436.50**
Net Working Capital	**8,288.30**	**10,358.67**

The table below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	Less than 1 year	2-5 years	More than 5 years	Total
As at March 31, 2020				
Borrowings	2,447.16	10,322.34	4,700.17	17,469.66
Trade Payables	2,428.22	-	-	2,428.22
Other Current Financial Liabilities	801.42	-	-	801.42
Total	**5,676.80**	**10,322.34**	**4,700.17**	**20,699.30**
As at March 31, 2019				
Borrowings	2,245.55	9,856.89	7,310.34	19,412.78
Trade Payables	2,323.64	-	-	2,323.64
Other Current Financial Liabilities	867.31	-	-	867.31
Total	**5,436.50**	**9,856.89**	**7,310.34**	**22,603.72**

38 **Capital management**

The Company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and for the future development of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, external borrowings and operating cash flows generated.

The Company's adjusted net debt to equity ratio as follows:

Particulars	March 31, 2019	March 31, 2018
Gross Debt	17,469.66	19,412.78
Less: Cash and Cash Equivalent	163.56	907.95
Net debt (A)	**17,306.10**	**18,504.82**
Total Equity (B)	**12,165.11**	**11,394.78**
Gearing ratio (A/B)	**0.70**	**0.62**

39 **Impact of COVID-19 Pandemic**

Port services were declared as essential service by the Government of India and was exempted from lockdown. Our first emphasis was laid on ensuring safe and healthy working environment observing all prescribed norms of Government to avoid Infection of COVID 19. Due to lockdown restrictions imposed by the Government, though there were some disruptions in movement of Vehicles. goods and our Man power same was sorted out with support of the Port Trust. There was no workforce reduction resulting from Illness or quarantine. From May'20 onwards, normal operations were resumed. However, due to overall lockdown scenario and declaration of Force majeure by the Port and Government, we too notified all our customers that fulfilment of contractual obligations is on best endeavor basis Thereby insulating ourselves from all demurrages, penalties and delays for any possible under performance or dispatch.

Customer Default: Though initially there was delay in realization of our dues from our major customers due to non-movement of their finished goods Impacting our operating cash flow, since May'20 normal cash collection cycle was resumed and policy of collecting advance strictly as per contract before berthing of vessels Was implemented.

Debt Servicing: Despite moratorium allowed by our lender bank for deferment of Principal and Interest, our company deferred the quarter principal due on 1.4.20 and has been paying interest since March'20. We are of the view that the deferred principal instalment of about Rs.5.6 Cr would also be cleared before September'20.

Impairment of assets and fair value of assets and liabilities affecting ability as a Going concern: We are of the firm view that in view of the demonstrated resilience to face the COVID 19 pandemic situation and resumption of near normal operations in the first quarter itself, despite uncertainty of duration of COVID 19 Pandemic, there is no impact or impairment whatsoever on our business activities, Assets and liabilities warranting their restatement. Further, there is no concern or disability of the Company to continue as a Going concern.

40 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2020.

As per our report of even date
For Natvarlal Vepari and Co.
Chartered Accountants
Firm Registration No. : 106971W

Nuzhat Khan
Partner
M.No.124960

Mumbai

Dated: June 11,2020
Place: Mumbai

For and on behalf of the Board of Directors of
Vizag Seaport Private Limited
CIN : U45203AP2001PTC038955

R Kishore
CEO & Whole time Director
DIN: 0000344011

Kishalay Bandopadhyay
Director
DIN: 0000255055

A V Vaitheeswaran
CFO & Director
DIN: 0002267381

Subbaraman Natarajan
Company Secretary
M No: 6616

Dated: June 11,2020
Place: Vishakapatnam

Annexure -1

Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

A **Related Party Disclosure**

Parties where control exists

- Gammon India Limited - Ultimate holding company (Upto 7th September 2017)
- Gammon India Limited - Entity having Significant Influence (Wef 8th September 2017)
- Gammon Infrastructure Projects Limited – Holding Company

Enterprises where significant influence exists

- Ripley & Company (Stevedoring and handling) Pvt Ltd
- Eversun Marine Trade Private Limited
- Eversun Sparkle Maritime Services Private Limited
- Srivatsa Techo Corporation LLP
- Pinnacle Hospitals India Private Limited
- International seaport (Haldia) Pvt Limtied

Key managerial personnel (KMP)

- R Kishore – Whole Time Director and Chief Executive Officer
- A V Vaitheeswaran - Chief Financial Officer (w.e.f January 1, 2018)
- V V Sudhakar Roy (w.e.f January 1, 2018)

B **The following are the transactions with related parties**

Related party transactions

Sl No	Name of the transacting party	Relationship	Nature of transactions	31-Mar-20		31-Mar-19	
				Amounts	Amount receivable/ (payable) as at	Amounts	Amount receivable/ (payable) as at
				31-Mar-20		31-Mar-19	
1	Gammon Infrastructure Projects Ltd	Holding Company	Repayment of loan	-	10,977.41	-	10,977.41
			Interest income	1,290.61	2,386.93	1,331.12	1,596.31
2	Gammon India Limited	Entity having significant influence	Capital creditors	-	(95.13)	-	(95.13)
3	Eversun Marine Trade Private Limited	Enterprises where significant influence exists	Stevedoring with Harbour Mobile Cranes, onboard equipment and Labour supply charges	6,190.63	(917.98)	4,003.24	(958.06)
			Reimbursement of expenses to EMTPL	-		20.32	
			Revenue from port operations	154.07		49.19	
			Reimbursement of expenses from EMTPL	11.05		11.29	
4	Eversun Sparkle Maritime Services Private Limited	Enterprises where significant influence exists	Dumpers maintainance charges	445.92	(380.83)	134.73	(236.08)
			Cargo Handling charges	27.59		148.45	
			Loan Taken	300.00		350.00	
			Loan Repaid	-		350.00	
			Interest Expense	24.17		12.44	
			Transportation Charges	-		13.22	
			Expenses incurred by the Company	4.18		1.22	
5	Ripley and Stevedoring Pvt Limited	Enterprises where significant influence exists	Handling equipment charges	-	22.69	2,321.35	(196.72)
			Sale of Trippers	-		83.20	
			Revenue from port operations	95.89		-	
			Expenses incurred by the Company	22.30		261.61	
6	Srivatsa Techo Corporation LLP	Enterprises where significant influence exists	Operation and Maintenance of equipment	701.15	(191.28)	731.85	(110.16)
			Expenses incurred by the Company	80.16		1.98	
7	Pinnacle Hospitals India Private Limited	Enterprises where significant influence exists	Medical expenditure	2.24	-	-	-
8	International seaport (Haldia) Pvt Limtied	Enterprises where significant influence exists	Other finance charges	5.39	(1.35)	5.39	-
9	R Kishore	KMP	Remuneration	158.00	(9.35)	134.00	(10.12)
10	V V Sudhakar Roy	KMP	Remuneration	76.07	(10.77)	66.00	(3.80)
11	A V Vaitheeswaran	KMP	Remuneration	62.24	(9.09)	54.00	(3.54)

* The managerial personnel are eligible for retirement benefits viz., gratuity and compensated absences in accordance with the policy of the Company. The proportionate retirement benefit expense pertaining to the managerial personnel has not been included in the aforementioned disclosures as this is provided in the books of account on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined

Terms and conditions

All transactions with these related parties are priced on an arm's length basis. None of the balance is secured.