

DIRECTORS' REPORT TO THE SHAREHOLDERS 2020-21

To,

The Members,

Your Directors have pleasure in presenting their 20th Annual Report of the Company together with the Audited Financials for the Financial Year ended 31st March 2021 .

FINANCIAL RESULTS:

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

(Rs. In lakhs)

Particulars	2020-21	2019-20
Operational Revenue	17854.91	17555.71
Other Revenue	120.54	1419.26
Total Revenue	17975.45	18974.97
Expenditure before Interest ,Tax and Depreciation	14328.15	10870.07
Operating Profit (EBITDA)	3647.30	8104.90
Finance cost	3497.28	3599.44
Depreciation & Amortisation	3738.98	3607.52
Profit/Loss before Tax (IND -AS)	(3588.97)	897.94
Profit/Loss after Tax	(3806.61)	770.34
Reserves & Surplus	(360.62)	3445.99
Cargo Volume handled (in Lakhs MTs)	63.44	72.30

2. FINANACIAL REVIEW :

On account of spread of Novel Corona Virus (COVID-19) Pandemic across the globe and in our Country since March'2021, 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 during the year 2020-21. 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 year 2020-21.

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 during the year, 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 1st 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 Overhead Electrification of Railway Track of EQ8 & EQ 9 by East Coast Railways and the placement of first rake in VSPL with Electric Loco commenced from 10th June 2021. This will benefit our Customers, cost wise to the some extent and shall attract more customers due to this facility.

3.Future Outlook and Investment Programme:

The adverse impact of COVID-19 on EXIM trade is likely to continue during the year 2021-22 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 in the coming year too. Accordingly your Company has revised the projected a cargo throughput of 6.50 MnMTs in the current year 2020-21 (due to COVID-19 impact) and achieved 6.35 MnMTs.

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 2020-21 and desire to defer the same to the next Financial Year 2021-2022 in view of the liquidity constraints and also loss occurred due to write off of interest on ICD Loans. Further it is mentioned that by way of write off of the interest amount in this financial year , though it will pulled down the Net Worth of the Company in the current year, the same will be set off by the enhanced profits of the future years and also additional revenue on account of Arbitration Award of SAIL & VPT which are in good progress.

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 2020-21 has been prepared. The same can be accessed on the Company's website <http://www.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	11-06-2020
		09-09-2020
		05-11-2020
		11-02-2021
2	AUDIT COMMITTEE MEETING	10-06-2020
		08-09-2020
		05-11-2020
		11-02-2021
3	REMUNERATION COMMITTEE MEEETING	10.6.20/8.9.20/5.11.20/11.2.21
4	CSR Committee Meeting	11.6.2020
5	Annual General Meeting 2018-19 -18 th	27.7.2020
6	Extra Ordinary General Meeting (EGM)	05.11.2020

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	4	N.A.
Kishalay Bandopadhyay	4	4+4
Shoumik Bose	1	N.A.
Homai A. Daruwalla	4	4+4
Shiraz Erach Poonevala	4	4+4
V.V. Sudhakar Roy	3(*)	N.A.
A.V. Vaitheeswaran	3(*)	N.A.
Naresh Sansanwar	2(**)	N.A.
Chayan Bhattacharjee(**)	3	N.A.

(*) Resigned w.e.f.1.1.2021; (**) resigned w.e.f. 1.2.21

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 2020-21 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. V.V. Sudhakar Roy	Dir (Tech)	996953	Resigned w.e.f. 1.1.2021	YES
2	Mr. A.V. Vaitheeswaran	Dir (Fin)	2267381	Resigned w.e.f. 1.1.2021	YES
3	Mr. Naresh Sasanwar	Director	1861034	Resigned w.e.f. 1.2.2021	NO

14. Board of Directors :

As on 31st March 2021, your Company's Board has a strength of 7 (Seven) Directors including 1(one) Women Director. The composition of the Board is as below :

No.	Category	No. of Directors
1	Executive Directors	1 (Three)
2	Non-Executive Directors	4 (Four)
3	Independent Directors	2 (Two)
	Total	7(Seven)

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 :

Pursuant 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. 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 : NIL

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 years 19-20 & 20-21.

The Cost Audit Report for the financial year 2019-20 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 2021 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 2020-21..

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 during 2020-21 is as under :

No.	Year	CSR Amount	Remarks
1	2020-21	Rs. 30.14 Lakhs	<p>1. Spent an amount of Rs. 1.77 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.</p> <p>2. Rs. 11 lakhs spent for COVID-19 relief measures in association with GVMC, Vizag(Rs. 10 lakhs) . & Rs 1.00 Lakhs to VPT on account of COVID related expenditure.</p> <p>3 Rs. 3.0 lakhs for School Building at Thiruvaur Dist. Through Rotary Club of Chennai Kilpauk Charitable Trust, Chennai</p> <p>4. Rs.16.59 Lakhs on account of COVID-19 related expenditure towards arranging food to casual labourers, arranging sanitization and other covid related expenditure as per MCA Circular No. 10/2020 dated 23 3 2020.(sl no. 4) Excess expenditure to the extent of Rs. 2.22 lakhs.</p>

CSR Annexure , as per the new 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 :


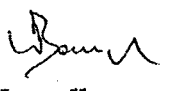
The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of the Employees have enabled the Company to sustain its competitive edge in the Industry.

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: 28.06.2021	 Kishalay Bandopadhyay Director Place: Vishakapatnam Date: 28.06.2021
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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 (7)	Amount 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	Rs. 70 Crores per annum approx. (for all the Contract put together) On going contract subject to Annual Review

				<p>operations.</p> <p>3. Utilization of their Licensed Plots for availing vesselwise Cargo Storage services.</p> <p>4. Handling of Vessels at VSPL as agents of Ship Owner of Cargo receiver/exporter.</p> <p>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.</p>	
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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)	Elgan India Mar Trade Pvt Ltd., formerly Eversun Sparkle Maritime Services Pvt Ltd.,	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.	Manning & Maintenance of VSPL 30 nos. Dumpers.	Approx. Rs 15 (Fifteen) Crores per annum & reimbursement of actual expenditure on cost to cost basis to ESMSPL by VSPL. Ongoing

			Mr. Kishaly Bandopadhaya Director is also interested by way of Promoter and Director in this Company.		contract subject to Annual Review.
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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 Sr. Mangement Personnel 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 8 (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. Ongoing arrangement.

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. 168,00,000
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: 28 06 2021	 Kishalay Bardopadhyay Director Place: Vishakapatnam Date: 28 06 2021
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NOTICE OF 20TH ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting (AGM) of the members of Vizag Seaport Private Limited will be held at 11.00 A.M. Indian Standard Time (IST) on Tuesday, 31st August 2021, at the Registered Office of the Company at Administrative Block, S4 Gallery, Port Area, Visakhapatnam. 530 035 to transact the following business

ORDINARY BUSINESS:

1. To consider and if deemed fit, to pass the following as on ORDINARY RESOLUTION:

"RESOLVED THAT the board's report, the statement of Profit and Loss and the Cash Flow statement for the year ended 31st March 2021 and the balance sheet as at that date, together with the independent auditors' report thereon be and are hereby considered, approved and adopted.

2. To consider and if deemed fit, to pass the following as on ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Shoumik Bose (DIN 00035794) who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.

3. To consider and if deemed fit, to pass the following as on ORDINARY RESOLUTION:

"RESOLED THAT Mr. Chayan Bhattacharjee (DIN 00107640) who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.

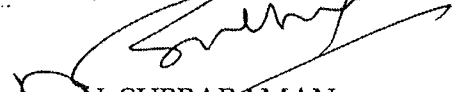
SPECIAL BUSINESS:

4. Ratification of Cost Auditor's Remuneration :

To consider and if deemed fit , to pass the following as ORINARY RESOLUTION :

"Resolved that, pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs. 1,00,000/- (Rupees One Lakh only) plus taxes as applicable inclusive of out of pocket expenses, as approved by the Board of Directors, based on the recommendation of the Audit Committee of the Company, to be paid to M/s DZR & Company, Cost Accountants, Hyderabad (Firm ICWI Membership No. 000173) , for the conduct of the Audit of the cost accounting records of the Company, for the financial year ending 31st March, 2022, be and is hereby ratified and confirmed."

By Order of the Board



N. SUBBARAMAN
COMPANY SECRETARY

Place: Visakhapatnam

Date: 16 08 2021



Notes:

- a) Pursuant to the general circular numbers 14, 17 and 20/2020 issued by the Ministry of Corporate Affairs (MCA), the AGM of the Company is being held through VC/OVAM Facility or by physical presence of the Members or their authorized representatives.
- b) A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the company.
- c) The instrument appointing the proxy shall be deposited at the Registered office of the company not less than 48 hours before commencement of the Meeting. Specimen proxy form is attached.
- d) Corporate members intending to send their authorized representatives to attend the Meeting are required to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- e) Explanatory Statement pursuant to Section 102 of the Companies Act,2013 on item No 4 is annexed.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM No.4

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the appointment of M/s DZR & Company, Cost Accountants, Hyderabad, (Firm ICWAI Membership no. 000173) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2021-22, at a remuneration of Rs.1,00,000/- plus taxes, inclusive of travel and actual out-of-pocket expenses.

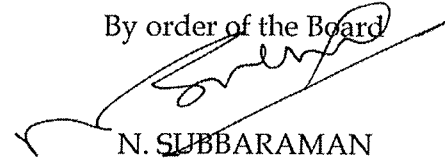
As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. Hence this resolution is put for the consideration of the shareholders.

Your Directors thus recommend the resolution at Item No.4 of the Notice for your approval as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors recommends this **Special Resolution** as set out in Item No. 4 of the Notice for the approval of the Shareholders.

By order of the Board



N. SUBBARAMAN
COMPANY SECRETARY

Place: Visakhapatnam
Date: 16 08 2021



VIZAG SEAPORT

PRIVATE LIMITED

PROXY FORM

Regd. Office :
Administrative Block
S4 Gallery, Port Area
Visakhapatnam - 530 035, India
Tel : +91 891 2556400
Fax : +91 891 2556401
Email : info@vizagseaport.com
Web : www.vizagseaport.com
CIN : U45203AP2001PTC038955

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name & Address of Member: _____

Regd. Folio No.: _____ D.P. ID / Client ID. _____

E-mail Id: _____

I / WE, being a member(s) of _____ shares of the above named Company hereby appoint

Name: Email:

Address:

Signature:,

or failing him / her

Name: Email:

Address:

Signature:,

or failing him / her

Name: Email:

Address:

Signature:,

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 19th Annual



Regd. Office :
Administrative Block
S4 Gallery, Port Area
Visakhapatnam - 530 035, India
Tel : +91 891 2556400
REGISTERED OFFICE
info@vizagseaport.com
Web : www.vizagseaport.com
CIN : U45203AP2001PTC038955

General Meeting of the Company to be held on Tuesday, 31st August 2021 at **Administrative Block, S 4 Gallery, Port Area, Visakhapatnam. 530 035 at 11:00 A.M. and any adjournment thereof in respect of such resolutions as are indicated below :**

VIZAG SEAPORT
PRIVATE LIMITED

Resolution no.	Resolutions
Ordinary Business	
1	Adoption of Audited Financial Statements (including consolidated financial statements) for the financial year ended March 31, 2021 and Reports of the Board of Directors and Auditors thereon
2 & 3	Re-appointment of Mr. Chayan Bhattacharjee, Director, who retires by rotation and Mr. Shoumik Bose who are all retires by rotation and eligible for re-appointment.
Special Business	
4	Ratification of the remuneration payable to M/s DZR & Co., Cost Accountants, Hyderabad, appointed as the Cost Auditor of the Company.

Signed this _____ day of _____ 2020

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

VIZAG SEAPORT PVT.LTD
Administrative Block
S-4, Gallery, Port Area
VISAKHAPATNAM-530 035
Phone : 0891-2556400

[Annexure - I]

Annual Report on CSR Activities to be included in the Board's Report

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

"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.

Website : www.vizagseaport.com

2. The Composition of the CSR Committee. : 3 (three) Directors.

3. Average net profit of the company for last three financial years: Rs. 1506.96 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 30.14 lakhs

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year; Rs. 30.14 Lakhs

(b) Amount unspent, if any; NIL

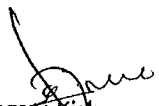
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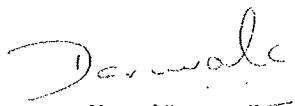
(c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency*
1	COVID-19 related expenditure					27,59,748/-	Directly a/c Covid-19 (as per details enclosed)
2	School Building-construction					3,00,000/-	Rotary Club Chennai during June 20.
3	Pollution Board-display					1,77,000/-	Display Board for Pollution status
	TOTAL					32,36,748/-	

6. In case the company has failed to spend the two per cent 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. NA.

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.


Ragan Kishore
CEO & Director


Homai Daruwalla
Chairman /CSR


N SUBBARAMAN
Company Secretary

[Annexure -II]

Format For The Annual Report on CSR Activities to be Included in the Board's Report For Financial Year Commencing on or After 1st Day of April, 2020

1. Brief outline on CSR Policy of the Company. To spend as per Schedule VII of the Cos.Act. 2013.

2. Composition of CSR Committee:

Sl. No.	Name of Director Mr/Ms.	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Homai Daruwalla	Ind. Director Chairman	One	One
2	Mr. Shiraz Erach Poonewalla	Ind. Director Member	One	One
3	Mr. Ragam Kishore	CEO & Director Member	One	One

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. www.vizagseaport.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	0		0
2		NOT APPLICABLE	N.A.
3			
	Total	N.A.	N.A.

6. Average net profit of the company as per section 135(5). Rs. 1506.96 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) Rs. 30,14,000.00

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: NIL

(c) Amount required to be set off for the financial year, if any : NIL

(d) Total CSR obligation for the financial year (7a+7b-7c).: Rs. 30,14,000.00

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs.32,36,748/-	0.00	0.00	0.00	0.00	n.a.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(5) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.						NOT APPLICABLE						
3.												
	Total											

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(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project.		(6) Amount spent for the project (in Rs.)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.				NOT APPLICABLE					
2.									

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable : NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 30,14,000/-
(ii)	Total amount spent for the Financial Year	Rs. 32,36,748/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 2,22,748/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 2,22,748/-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.				0	0	0	0
2.		NIL					
3.							
	Total			0	0	0	0
C							

16/8

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing
1								
2			NOT APPLICABLE					
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(ASSET-WISE DETAILS)

(a) Date of creation or acquisition of the capital asset(s). NIL

(b) Amount of CSR spent for creation or acquisition of capital asset. Rs. 22.77 Lakhs


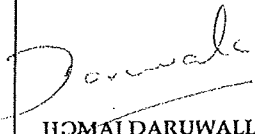
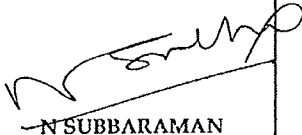
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Ambient Air Quality Monitoring Station - with M/s Andhra Pradesh Pollution Control Board, Regional Office, Visakhapatnam.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). "AMBIENT AIR QULITY MONITORING STATION" Andhra Pradesh Pollution Control Board, at Gajuwaka, Vizag.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not applicable, since we have spend excess amount of Rs. 2.22 Lakhs which needs to be set off during the year 2021-22.

 RAGAM RISHORE CEO & DIRECTOR	 HOMAI DARUWALLA CHAIRMAN- CSR COMMITTEE	 N SUBBARAMAN COMPANY SECRETARY
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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, 2793783
E-mail : allachandrasekhar@gmail.com

Date : 26.04.2021

Form No.MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[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,

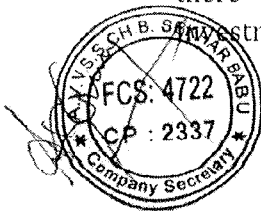
**The Members,
Vizag Seaport Private Limited**

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, 2021 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, 2021 according to the provisions of:

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



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.

Place: Visakhapatnam
Date: 26th April 2021
UDIN. F004722C000178082

Signature:



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

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, 2021, 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, 2021, its loss (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. However, during the current year, based on the assessments of the recoverability and the fresh arrangement with the Holding company, the Company has impaired the receivable of accrued interest of Rs. 2,886.93 lakhs. Further as per the terms of the new arrangement, the Company has stopped accruing the interest on the amount with effect from April 1, 2020. The management is confident of recovery of the balance receivable and does not envisage any further impairment. We have relied on the management assertions. Our report is not qualified on this matter.



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

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 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 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.



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

- 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the standalone financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
 - 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 28, 2021

UDIN: 21124960AAAFJ3094



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.
- (c) The loan amount of Rs 10,977.41 lacs is lying for more than 90 days, however in respect of the aforesaid loan, the repayment has been rescheduled as detailed in note 7.3(a) of the financial statements. 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



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

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 the information and explanation given to us and based on our examination, the Company is generally regular in payment of undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess, and other statutory with the appropriate authorities from the due date of its payment.

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, 2021 for a period of more than six months from the date of becoming payable except in case of payment of Provident fund of Rs. 8.59 lakhs which is outstanding for more than six months as at March 31, 2021.

- (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:

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



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

- (viii) According to the information and explanations given to us and based on the documents and records produced to us, during the year the Company has availed moratorium as per the COVID 19 Regulatory Package announced by RBI (i.e., from 1 March 2020 to 31 August 2020) which gives relaxation for payment of instalment and interest to the Lender and hence the moratorium period is excluded for the purposes of reporting of default/delay by the company. The Company has during the year defaulted/delayed in repayment of interest to bank and Financial Institutions as mentioned in Note 13.1(e) to the Financial Statements, the same were made good as on March 31, 2021 and there were no outstanding dues as on March 31, 2021, 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 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.



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- (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

Nuzhat

Nuzhat Khan
Partner

Membership No. 124960

Mumbai, Dated: June 28,2021

UDIN: 21124960AAAFJ3094



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, 2021 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 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.



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

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 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, 2021, 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 28, 2021

UDIN: 21124460 AAAAFJ3094




Vizag Seaport Private Limited
CIN : U45203AP2001PTC038955
Balance Sheet as at March 31, 2021
(All figures are Rupees in lacs unless otherwise stated)



Particulars	Note Ref	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	136.82	153.83
(b) Right of Use Asset-Leases intangible Assets	4	10,844.30	13,068.56
(c) intangible Assets	5	16,084.97	16,974.11
(d) intangible Assets under development	6	-	241.63
(e) Financial Assets			
(i) Trade receivables	7.1	-	-
(ii) Loans and Advances	7.3	102.09	108.05
(iii) Other Financial Assets	7.4	-	-
(f) Deferred Tax Asset, Net	8	293.31	514.77
(g) Other non current assets	9	2,767.57	1,901.11
		30,229.08	32,962.06
(2) Current Assets			
(a) Inventories	10	441.39	414.44
(b) Financial Assets			
(i) Trade receivables	7.1	2,023.57	2,445.82
(ii) Cash and cash equivalents	7.2	1,441.13	163.56
(iii) Bank balances	7.2	-	-
(iv) Loans and Advances	7.3	11,098.16	11,100.96
(v) Others Financial Assets	7.4	262.90	3,218.30
(c) Other current assets	9	418.13	411.15
		15,685.28	17,754.23
Total Assets		45,914.36	50,716.29
EQUITY & LIABILITIES			
(1) Equity			
(a) Equity Share capital	11	8,719.13	8,719.13
(b) Other Equity	12	(360.62)	3,445.99
		8,358.51	12,165.11
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13.1	14,221.28	14,994.00
(ii) Lease Liability	13.2	10,037.66	10,687.69
(iii) Other financial liabilities	13.3	-	-
(b) Provisions	14	3,298.75	2,771.03
		27,557.69	28,452.72
(3) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13.4	-	300.00
(ii) Lease Liability	13.2	2,255.93	2,963.55
(iii) Trade payables			
- Dues of Micro and Small Enterprise	13.5	-	-
- Dues of Other than Micro and Small Enter	13.5	2,617.33	2,428.22
(iv) Other financial liabilities	13.3	3,361.11	2,948.58
(b) Provisions	14	123.51	152.09
(c) Current Tax Liabilities (Net)		-	-
(d) Other current liabilities	15	1,640.28	1,306.01
		9,998.16	10,098.45
Total Equity and Liabilities		45,914.36	50,716.29


As per our report of even date attached.


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



Nazhat Khan
Partner
M.No.124960



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


Subbaraman Natarajan
Company Secretary
M No. 6616

Dated: June 28,2021
Place: Mumbai

Dated: June 28,2021
Place: Vishakapatnam

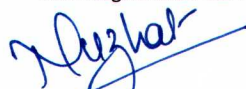
Vizag Seaport Private Limited
CIN : U45203AP2001PTC038955
Statement of Profit & Loss for year ended March 31, 2021
(All figures are Rupees in lacs unless otherwise stated)



Particulars	Note Ref	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from Operations	16	17,854.91	17,555.71
II Other Income	17	120.54	1,419.26
III Total Income (I +II)		17,975.45	18,974.97
IV Expenses:			
Operating expenses	18	9,851.22	9,348.28
Employee benefit expenses	19	1,073.38	1,025.19
Finance Costs	20	3,497.28	3,599.44
Depreciation & amortization	21	3,738.98	3,607.52
Other expenses	22	3,403.55	496.59
Total Expenses		21,564.41	18,077.03
Profit before exceptional item and tax (III-IV)		(3,588.97)	897.94
Exceptional items		-	-
Profit / (Loss) before tax		(3,588.97)	897.94
Tax expenses	23		
<i>Current Tax</i>		-	142.00
<i>Short provision of earlier years</i>		3.26	(1.41)
<i>Deferred Tax (Credit)/Charge</i>		221.47	(14.06)
MAT Entitlement		762.00	(29.38)
Deferred Tax		(540.53)	15.32
V Total tax expenses		224.73	126.53
Profit for the period from Continuing Operations (IX-X)			
Profit/(Loss) from discontinuing Operations		-	-
Tax Expense of discontinuing Operations		-	-
Profit/(Loss) from Discontinuing Operations after Tax		-	-
Profit for the period (XIV+XI)			
VI Profit for the period		(3,813.69)	771.41
VII Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement gain of defined benefit plans		7.08	(1.07)
Tax effect thereon		-	-
Other Comprehensive Income for the year, net of tax		7.08	(1.07)
VIII Total comprehensive income for the year		(3,806.61)	770.34
IX Earnings per equity share	24		
Nominal Value		10.00	10.00
Basic		(4.37)	0.88
Diluted		(4.37)	0.88


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



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


R Kishore
CEO & Whole time Director
DIN: 0000344011


Kishalay
Director
DIN: 0000255055


Subbaraman Natarajan
Company Secretary
M No: 6616

Dated: June 28,2021
Place: Mumbai

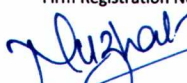
Dated: June 28,2021
Place: Vishakapatnam

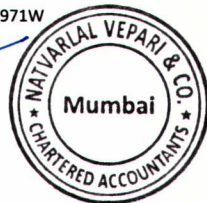
Vizag Seaport Private Limited
CIN : U45203AP2001PTC038955
Cash Flow Statement for the period ended March 31, 2021
(All figures are Rupees in lacs unless otherwise stated)



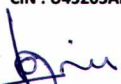
Particulars	2020-21	2019-20
Cash flows from operating activities		
PROFIT / (LOSS) before tax	(3,588.97)	897.94
Adjustments:		
Depreciation & amortisation	3,738.98	3,607.52
Re-measurement of defined benefit obligation	7.08	(1.07)
Interest expense	1,921.31	2,067.95
Interest expense on Lease Liability	1,056.80	1,086.27
Interest income	(5.14)	(1,303.70)
Liabilities no longer required written back	(111.35)	(111.04)
Allowance on impairment of trade receivables	33.70	28.02
Provision for replacement cost	519.17	445.22
Loss on sale of property, plant and equipment	0.80	-
	<u>7,161.35</u>	<u>5,819.18</u>
Operating cash flows before working capital changes and other assets	3,572.38	6,717.12
Decrease/ (increase) in inventories	(26.94)	(6.36)
Decrease/ (increase) in trade receivables	388.55	(475.55)
Decrease/ (increase) in financial and other Assets	2,511.16	97.50
(Decrease) / increase in liabilities and provisions	726.89	217.60
	<u>3,599.66</u>	<u>(166.80)</u>
Cash generated from operations	7,172.04	6,550.32
Income taxes returned / (paid), net	(418.58)	(348.19)
Net cash generated from operating activities	6,753.46	6,202.13
Cash flows from investing activities		
Purchase of property, plant and equipment and CWIP	(305.15)	(28.16)
Purchase of intangible assets	(67.47)	(289.65)
Proceeds from sale of property, plant and equipment	11.90	-
Investment in Bank Deposits	(1,315.00)	(1,275.00)
Proceeds from bank deposits	1,315.00	1,275.00
	<u>(360.72)</u>	<u>(317.81)</u>
Cash flows from financing activities	6,392.74	5,884.32
Repayment of Long-term borrowings	(1,114.96)	(2,235.92)
Proceeds from Long-term borrowings	663.00	-
Proceeds from short-term borrowings	-	300.00
Repayment of short-term borrowings	(300.00)	-
Lease Liability:		
Principal	(1,357.66)	(1,530.74)
Interest	(1,056.80)	(1,086.27)
Interest paid	(1,948.76)	(2,075.81)
	<u>(5,115.17)</u>	<u>(6,628.74)</u>
Net cash used in financing activities	1,277.57	(744.39)
Net increase / decrease in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	163.56	907.95
Cash and cash equivalents at the end of the period	<u>1,441.13</u>	<u>163.56</u>
	1,277.57	(744.39)


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

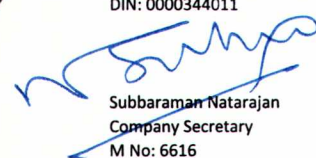

Nuzhat Khan
Partner
M.No.124960



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


Subbaraman Natarajan
Company Secretary
M No: 6616

Dated: June 28, 2021
Place: Mumbai

Dated: June 28, 2021
Place: Vishakapatnam

Vizag Seaport Private Limited
CIN : U45203AP2001PTC038955
Notes to financial statements for the year ended March 31, 2021
(All figures are Rupees in lacs unless otherwise stated)
Statement of Changes in Equity



A Equity

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Rs. in lacs	Number of Shares	Rs. in lacs
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	87,191,264	8,719.13	87,191,264	8,719.13
Changes in equity share capital during the year	-	-	-	-
Balance at the end	87,191,264	8,719.13	87,191,264	8,719.13

B Other Equity

Particulars	Retained Earnings
Balance as at April 01, 2019	2,675.65
Profit for the year	771.41
Remeasurement gain/(loss) on defined benefit plans	(1.07)
Less: Tax Effect Thereon	-
Balance as at 31 March 2020	3,445.99
Profit for the year	(3,813.69)
Remeasurement gain/(loss) on defined benefit plans	7.08
Less: Tax Effect Thereon	-
Balance as at 31 March 2021	(360.62)

As per our report of even date

For Natvarlal Vepari and Co.
Chartered Accountants


Firm Registration No. : 106971W


Nuzhat Khan
Partner
M.No.124960

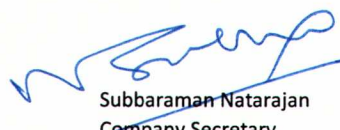


For and on behalf of the Board of Directors of
Vizag Seaport Private Limited

CIN : U45203AP2001PTC038955


R Kishore
CEO & Whole time Director
DIN: 0000344011


Kishalay Bandopadhyay
Director
DIN: 0000255055


Subbaraman Natarajan
Company Secretary
M No: 6616

Dated: June 28, 2021
Place: Mumbai

Dated: June 28, 2021
Place: Vishakapatnam

1. Corporate Information

1.1 Company overview

Visakhapatnam Port Trust (VPT) has awarded a 30 year concession (including construction period of two years) to a consortium of companies of the Gammon group, Portia Management Services Ltd, UK and Lastin Holdings Private Limited, UK for constructing, equipping, operating, managing and maintaining two multi-purpose berths in the inner harbour of VPT on a build, operate, transfer (BOT) basis. The consortium has promoted Vizag Seaport Private Limited ("the Company") as a special purpose vehicle for implementing the project. Vizag Seaport Private Limited was incorporated as a private limited company on 24 April 2001 and the Company started its commercial operations in July 2004. The license agreement with VPT was signed on 28 November 2001 for a period of 30 years. As on 31 March 2021 & 31 March 2020, Gammon Infrastructure Project Services Limited holds 74% equity shareholding in the Company.

The financial statements are approved for issue by the Company's Board of Directors on June 28, 2021.

2. Basis of preparation

2.1 Statement of compliance responsibility statement

These financial statements are Standalone Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Functional and presentation currency: The Financial statements are prepared in Indian Rupees (INR), which is also the Company's functional currency. These financial statements are presented in Indian Rupees (rounded off to nearest lakhs, unless otherwise stated)

2.2 Basis of measurement

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except for certain financial assets and liabilities as disclosed in Financial statements.

2.3 Use of judgments, estimates and assumptions

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may defer from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in current and future periods.



Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Useful lives of property, plant and equipment assets

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by Management at the time the asset is acquired and reviewed during each financial year.

b) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

c) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

d) Employee Benefit Plans

The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rates. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses.

e) Taxes

Significant judgements are involved in determining the provision for income taxes and deferred taxes including the amount expected to be paid or involved expected to be paid or recovered in connection with uncertain tax positions.

f) Financial assets and Financial liabilities

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgments is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



3.1 Summary of significant accounting policies

a. Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

1. It is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;
2. it is held primarily for the purpose of being traded;
3. it is expected to be realised within 12 months after the reporting date; or
4. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

1. it is expected to be settled in the Company's normal operating cycle;
2. it is held primarily for the purpose of being traded;
3. it is due to be settled within 12 months after the reporting date; or
4. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

Deferred tax assets are classified as non-current assets.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

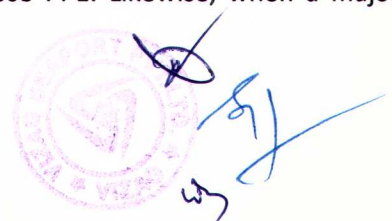
b. Foreign exchange transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date, the resultant exchange differences are recognised in the statement of profit and loss.

c. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of PPE includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of those PPE. Likewise, when a major



inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the year the asset is derecognized.

Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in statement of profit and loss as incurred.

Depreciation

Depreciation is provided on the Straight Line Method over the estimated useful life of the assets, which are equal/lower than the rates prescribed under Schedule II of the Companies Act, 2013. In order to reflect the actual usage of assets, the estimated useful lives of the assets is based on a technical evaluation.

Asset category	Estimated useful life (Years)
Office equipment	5 years
Computer equipment	3-5 years
Furniture and fixtures	10 years
Vehicles	8 -10years

Depreciation is charged on a proportionate basis for all assets purchased and sold during the year.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under long-term loans and advances and the cost of property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress.

d. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of



the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a lessee

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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



e. Intangible assets

Intangible assets are recorded at the consideration paid for cost of acquisition or development less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Intangible assets under development are capitalized only if the Company is able to establish control over such assets and expects future economic benefit will flow to the Company.

Intangible assets are amortised over their estimated useful life, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from decommissioning of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Service concession arrangements:

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measure at cost, less any accumulated amortisation and accumulated impairment losses.

Subsequent measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Amortization:

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortization in Statement of Profit and loss

Asset category	Estimated useful life
Computer Software	3 years
Service concession arrangement	Life of licensing agreement (30 years)

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the company is able to charge the public for the use of the infrastructure to the end of the concession period.

Disposal of individual assets which form part of the Intangible Asset under Service Concession Arrangement

On disposal of individual assets which form part of the Intangible Asset under Service Concession Arrangement, the sale proceeds are credited to the Intangible Asset under Service Concession Arrangement.



Decommissioning Obligation:

The company provides for obligations to be fulfilled under the Service Concession Agreement with Visakhapatnam Port Trust. Based on the estimates and judgements for future obligations, the net present value is recognized in the Financial Statements and the incremental change in the net present value is accounted for as borrowing cost.

f. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined under the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g. Impairment of assets

Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognized

h. Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and other benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an



expense in the statement of profit and loss during the period in which the employee renders the related service.

ii. Defined benefit plans

Gratuity

In accordance with the applicable Indian laws, the Company provides for gratuity, defined benefit retirement plan ("the Gratuity plan") covering eligible employees. The Gratuity plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Current service cost and the interest cost on obligation related to defined benefit plans are recognised in the statement of profit or loss.

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or encash the leaves during the period of employment or retirement or at termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the statement of profit or loss.

i. Revenue recognition

Revenue from Operations

The Company earns revenue primarily from integrated terminal services, berth hire charges, dust suppression charges, cargo handling charges, plot rent, wharfage, barge freight and other miscellaneous charges.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch up method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.



Vizag Seaport Private Limited

Notes to the financial statements for the year ended 31 March 2021

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised at point in time when the performance obligation with respect to Cargo Handling Services is being rendered to the Customers which is the point in time when the customer receives the service. Revenue from cargo handling service is recognized on output basis measured from cargo discharge to dispatch cycle.

The billing schedules agreed with customers include periodic performance-based payments. Invoices are payable within contractually agreed credit period.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by Nature of Services and Customer Type.

Use of significant judgements in revenue recognition

- The Company's contracts with customers include promises to provide cargo handling services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract. Where standalone selling price is not observable, the Company uses the guidelines of Tariff Authority of Major Ports (TAMP) to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date



and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. Such costs are amortised over the service concession period or useful life of asset wherever applicable. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Interest Income

Interest income is recognised using the effective interest rate method.

Service concession arrangements:

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the work is performed.

j. Taxation

Income tax expense comprises current tax and deferred tax charge or credit. Income tax expenses is recognized in statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income (OCI) or directly in equity.

Current tax

Current tax is the tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous year. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net asset basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each balance sheet date and are recognised/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.



Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

k. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

l. Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

m. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

n. Borrowing costs

Borrowing cost directly attributable to acquisition of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method



o. Financial Instruments

i. Initial recognition of financial instruments:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

A financial asset and liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Subsequent measurement of financial assets:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and 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.

o. Financial Instruments (continued)

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.



A handwritten signature in blue ink is written over a faint, circular purple stamp. The signature appears to be "S. S. S." followed by a flourish. The stamp is partially obscured by the signature.

iii. Subsequent measurement of Financial liability

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iv. Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

v. Fair value measurement

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximates fair value due to the short maturity of those instruments.





3 Property Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block - Asset class wise for 2020-21

Particulars	Furniture & Fixtures	Office Equipments	Computers	Motor Vehicles	Total
Cost					
As at April 1, 2019	19.02	85.82	56.52	137.29	298.65
Additions	0.32	9.54	17.00	1.30	28.16
Sales/Disposals/Adjustments	-	-	-	-	-
As at March 31, 2020	19.34	95.36	73.52	138.59	326.81
Additions	-	10.00	2.61	15.59	28.20
Sales/Disposals/Adjustments	-	-	1.07	10.83	11.90
As at March 31, 2021	19.34	105.36	75.06	143.35	343.11
Depreciation					
As at April 1, 2019	13.83	64.88	37.20	18.62	134.53
Charge for the period	0.83	7.51	11.50	18.61	38.45
Sales/Disposals/Adjustments	-	-	-	-	-
As at March 31, 2020	14.66	72.39	48.70	37.23	172.98
Charge for the period	0.78	8.68	12.21	17.86	39.53
Sales/Disposals/Adjustments	-	-	0.50	5.72	6.22
As at March 31, 2021	15.44	81.07	60.41	49.37	206.29
Net Block Value					
As at March 31, 2020	4.68	22.97	24.82	101.36	153.83
As at March 31, 2021	3.90	24.29	14.65	93.98	136.82





4 Right of Use Asset-Leases

Details of Additions, Adjustments, Depreciation and Net Block - Asset class wise for 2020-21

Particulars	Equipments
Cost	
As at Apr 1, 2019	9,353.07
Additions	5,828.91
Disposals/Adjustments	-
As at March 31, 2020	15,181.98
Additions	-
Disposals/Adjustments	-
As at March 31, 2021	15,181.98
Depreciation	
As at Apr 1, 2019	-
Additions	2,113.42
Disposals/Adjustments	-
As at March 31, 2020	2,113.42
Charge for the period	2,224.26
Disposals/Adjustments	-
As at March 31, 2021	4,337.68
Net Balance of ROU-As at March 31, 2020	13,068.56
Net Balance of ROU-As at March 31, 2021	10,844.30

I Disclosure in accordance with Ind AS - 116 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 prospectively, with the cumulative effect of applying the Standard, recognised on the date of initial application (April 1, 2019) . Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

Application of the standard has resulted in recognising a right-of-use asset and a corresponding lease liability of Rs 9,353.07 lacs in the previous year. In the profit and loss account for the current and previous period, the nature of expenses in respect of operating leases has changed from Cargo Handling Expenses- Stevedoring Charges to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Accordingly, during the year ended March 31, 2021, Rs. 1,056.80 Lakhs has been accounted as Finance Cost and Rs. 2,224.26 Lakhs as Depreciation against the payment liability of Rs.2414.46 Lakhs.

The following is the summary of practical expedients elected on initial application

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.





5 Intangible Assets:

Details of Additions, Adjustments, Depreciation and Net Block - Asset class wise for 2020-21

Particulars	Service concession assets	Computer software	Total
As at April 1, 2019	24,576.60	22.50	24,599.10
Additions	54.74	-	54.74
Sales/Disposals/Adjustments	-	-	-
As at March 31, 2020	24,631.34	22.50	24,653.84
Additions	586.06	-	586.06
Sales/Disposals/Adjustments	-	-	-
As at March 31, 2021	25,217.40	22.50	25,239.90
Accumulated Amortisation			
As at April 1, 2019	6,201.58	22.50	6,224.08
Charge for the period	1,455.65	-	1,455.65
On Sale/Disposals	-	-	-
As at March 31, 2020	7,657.23	22.50	7,679.73
Charge for the period	1,475.19	-	1,475.19
On Sale/Disposals	-	-	-
As at March 31, 2021	9,132.42	22.50	9,154.92
Net Block			
As at March 31, 2021	16,084.97	-	16,084.97
As at March 31, 2020	16,974.11	-	16,974.11

6 Intangible Asset Under Development

Particulars	Service Concession Assets
As at April 1, 2019	6.73
Addition during the year	239.17
Capitalised during the year	(4.27)
As at March 31, 2020	241.63
Addition during the year	276.95
Capitalised during the year	518.59
As at March 31, 2021	-



Vizag Seaport Private Limited

CIN : U45203AP2001PTC038955

Notes to Standalone financial statements as at and for the year ended March 31, 2021

(All figures are Rupees in lacs unless otherwise stated)



	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
7 Financial Assets				
7.1 Trade Receivables				
(Unsecured, at amortised cost)				
i) Considered good	-	-	2,023.57	2,445.82
ii) Credit impaired	-	-	56.35	22.65
Less : Provision for Credit Loss	-	-	(56.35)	(22.65)
Total	-	-	2,023.57	2,445.82

A Expected Credit Loss:

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. The Life time credit loss write off during the year arises more out of the disputes or charges rather than credit impairment.

Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

Movement in the expected credit loss allowance

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the period	22.65	-
Net Impairment loss recognised	33.70	28.02
Amount written on during the period	-	(5.37)
Provision at the end of the period	56.35	22.65

7.2 Cash and Bank Balances

A Cash and cash equivalents

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
i) Balances with banks	-	-	1,441.02	163.56
ii) Cash on hand	-	-	0.11	0.01
Total	-	-	1,441.13	163.56

7.3 Loans and Advances (at amortised cost)

(Unsecured, Considered good)

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
i) Security Deposit	102.09	108.05	120.75	123.55
ii) Loan to Related party: Gammon Infrastructure Projects Limited	-	-	10,977.41	10,977.41
Total	102.09	108.05	11,098.16	11,100.96

Terms of Loan to Related Party:

- (a) The amounts due from the Holding Company have been restructured from time to time, and certain specific cash flows of the Holding Company are earmarked towards repayment. However, during the current year, based on the assessments of the recoverability and the fresh arrangement with the Holding company, the Company has impaired the receivable of accrued interest of Rs. 2,886.93 lakhs. Further as per the terms of the new arrangement, the Company has stopped accruing the interest on the amount with effect from April 1, 2020. The specific award of patna Buxar highway Limited, a subsidiary of the holding company, presently at approx Rs. 9300 lacs including interest accrued has been assigned to the Company and the balance will be paid within a period of 6 months from the sale of partial stake by the holding Company. The management is confident of recovery of the balance receivable and does not envisage any further impairment apart from what has been carried out.



Vizag Seaport Private Limited

CIN : U45203AP2001PTC038955

Notes to Standalone financial statements as at and for the year ended March 31, 2021

(All figures are Rupees in lacs unless otherwise stated)



	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
7.4 Other Financial Assets				
<i>(Unsecured, Considered good)</i>				
i) Interest accrued receivable	-	-	63.21	2,951.03
ii) Unbilled Revenue	-	-	199.69	267.27
Total	-	-	262.90	3,218.30

Refer Note 7.3(a) above for the interest accrued receivable from Holding Company

	As at	
	March 31, 2021	March 31, 2020
8 Deferred Tax Assets		
a) Deferred Tax Liability on account of :		
i) Depreciation due to timing difference	2,228.58	2,381.16
ii) Other Comprehensive income	-	-
	2,228.58	2,381.16
b) Deferred Tax Asset on account of :		
i) Unabsorbed depreciation	-	-
ii) Lease Liability	403.19	162.10
iii) Other Disallowance- 43B	59.41	56.99
iv) Provision for replacement	875.74	731.30
v) Mat Credit Entitlement	1,183.55	1,945.55
	2,521.89	2,895.94
Deferred Tax Asset, net	293.31	514.77

In assessing the realisability of deferred income tax assets, Management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax assets, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, Management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
9 Other Assets				
i) Prepayments	53.69	59.25	136.13	148.61
ii) Capital advances	1.74	5.29	-	-
iii) Balance with Indirect Tax Authorities	-	-	198.86	181.62
iv) Advance Income Tax (Net of Provision for Taxation)	1,939.38	1,524.07	-	-
v) Advance recoverable in cash or in kind	0.13	1.82	68.66	78.17
vii) Advance to Vendors	-	-	14.48	2.75
viii) Deposit with Customs (*)	772.63	310.68	-	-
Total	2,767.57	1,901.11	418.13	411.15

(*) The Company has filed a writ petition before Andhra Pradesh High Court against Custom Authorities for Cost recovery charges by the customs department for their staff posted in VSPL terminal. The matter is under trial before the High Court. Based on the stay by the High Court the Company has paid 50% amount under protest and provided the entire liability in the books. During the year, the Company has received Board Circular 02/2021-Cus dated 19.01.2021, in which para 8.5(d) and (f) states that no dues should be pending and the payment of cost recovery charges should be made in order to gain exemption from Custom Recovery Charges henceforth. Hence the Company has made entire payment of Custom demand as on date irrespective of pronouncement of the High Court Decision which is expected subsequently. An equivalent amount is being carried under provisions and not set off on account of pending Court matter.



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Vizag Seaport Private Limited

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Notes to Standalone financial statements as at and for the year ended March 31, 2021

(All figures are Rupees in lacs unless otherwise stated)



	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
10 Inventories				
i) Consumable Stores and Spares	-	-	441.39	414.44
Total	-	-	441.39	414.44

A Valuation Methodology:

i) Consumable Stores and Spares At lower of Cost computed on weighted average method and Net realisable value

B The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

Particulars	20-21	19-20
Amount of inventories recognised as an expense	252.58	309.90
Amount of write - down of inventories recognised as an expense	-	-
Total	252.58	309.90

	As at	
	March 31, 2021	March 31, 2020
11 Equity Share capital		
i) Authorised shares :		
March 31, 2021: 12,50,00,000 Equity shares of Rs 10/- each		
March 31, 2020: 12,50,00,000 Equity shares of Rs 10/- each	12,500.00	12,500.00
Total	12,500.00	12,500.00
ii) Issued and subscribed share and paidup :		
March 31, 2021: 87,191,264 Equity shares of Rs 10/- each	8,719.13	8,719.13
March 31, 2020: 87,191,264 Equity shares of Rs 10/- each	8,719.13	8,719.13
Total	8,719.13	8,719.13
Total paid-up share capital	8,719.13	8,719.13

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at		As at	
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
	Number	Amount	Number	Amount
Balance, beginning of the period	87,191,264	8,719.13	87,191,264	8,719.13
Issued during the period	-	-	-	-
Balance, end of the period	87,191,264	8,719.13	87,191,264	8,719.13

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.



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Notes to Standalone financial statements as at and for the year ended March 31, 2021
(All figures are Rupees in lacs unless otherwise stated)



c) Details of Shareholding more than 5%

	As at		As at	
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
	Number	%	Number	%
Equity shares of Rs. 10/- each fully paid up				
Gammon Infrastructure Projects Limited	64,313,847	73.76	64,313,847	73.76
Lastin Holdings Limited	22,877,417	26.24	22,877,417	26.24
	87,191,264	100.00	87,191,264.00	100.00

d) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

12 Other Equity

i) Retained Earnings

	As at	
	March 31, 2021	March 31, 2020
	(360.62)	3,445.99
	(360.62)	3,445.99

13 Financial Liabilities (at amortised cost)

13.1 Borrowings

Term Loans:

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current Maturities	
i) Term loan from bank	13,697.14	14,890.12	2,244.56	2,128.47
ii) Term loan from financial institution	487.83	55.87	211.76	7.97
Other:				
iii) Vehicle Loan from bank	36.31	48.01	11.60	10.72
Less: Disclosed in Other Financial Liabilities	-	-	(2,467.93)	(2,147.16)
Total	14,221.28	14,994.00	-	-
The break-up of above:				
Secured	14,221.28	14,994.00	2,467.93	2,147.16
Unsecured	-	-	-	-



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Notes to Standalone financial statements as at and for the year ended March 31, 2021

(All figures are Rupees in lacs unless otherwise stated)



a) Terms and nature of security of secured term loans [including current maturities]:

Term loan from bank and financial institution is secured by way of first charge on the movable and immovable properties of the Company, both present and future, subject to the provisions of the License Agreement with the Concessionaire, first charge on the entire cash flows, receivables, book debts and revenues of the Company of whatsoever nature and whenever arising, both present and future subject to the provisions of the License Agreement and first charge on all the Trust and Retention Account, DSR and any other reserves and other bank accounts.

Pledge of 50.2% of paid-up share capital of the Company held by Gammon Infrastructure Projects Limited. Also secured by way of assignment of all project contracts (including license agreement, documents, insurance policies relating to all assets of the project, rights, titles, permits/approvals, clearances and interests of the Company).

IDFC Bank Loan: Repayment of loan started from 1 July 2012 and is payable in structured quarterly installments up to 1 April 2027. Rate of interest applicable to IDFC is equivalent to 2% p.a over and above the benchmark. Effective interest rate 11.3% p.a. at March 31, 2020 (previous year: EIR 11.2% p.a. as at March 31, 2019)

Housing Development Finance Corporation Limited : Repayment of loan started from 1 October 2015 and is payable in structured quarterly installments up to 1 April 2027. Rate of interest applicable to HDFC is equivalent to 2.25% p.a over and above the benchmark.

TATA Motors Finance Solutions Limited : Repayment of loan started from 11 March 2021 and is payable in structured quarterly installments up to 11 January 2024. Rate of interest applicable is 9.5% p.a.

b) Vehicle Loan from Bank

The Vehicle loan is taken for a tenure of eight years , repayable in EMI of Rs 125000/- per month. Vehicle loans is secured against the same vehicle for which loan is taken.

c) Maturity Profile of Term Loans:

Ageing	As at March 2021	As at March 2020
Within One year	2,467.93	2,147.16
Two to Five years	10,790.28	10,322.34
More than Five years	3,452.80	4,700.17
Total	16,711.01	17,169.66

Maturity profile given is as per Loan repayment schedule of the bank and the same is not adjusted for INDAS adjustment done in the financials.

d) Moratorium Availed during the year

During the year the Company has availed moratorium as per the COVID 19 Regulatory Package announced by RBI (i.e., from 1 March 2020 to 31 August 2020) which gives relaxation for payment of instalment to the Lender and hence aforesaid moratorium period is excluded for calculation of default by the company.

e) Loan Default and Delay Disclosure

As on March 31,2021

Term Loan from Financial Institutions

Name of the Financial Institution	Amount	Nature of Payment	Due Date	Date of payment	Delay in Days
Housing Development Finance Corporation Limited	0.62	Interest	01-May-20	11-May-20	10.00
Housing Development Finance Corporation Limited	0.58	Interest	01-Nov-20	02-Nov-20	1.00
Housing Development Finance Corporation Limited	0.51	Interest	01-Mar-21	02-Mar-21	1.00
Housing Development Finance Corporation Limited	2.10	Principal	01-Apr-20	11-May-20	40.00
TATA Motors Finance Solutions Ltd.	22.39	Principal & Interest	11-Mar-21	15-Mar-21	4.00

Cash Credit from Bank

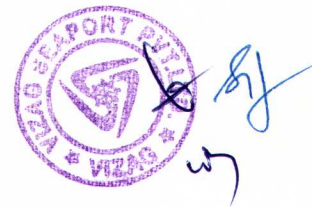
Name of the Bank	Amount	Nature of Payment	Due Date	Date of payment	Delay in Days (*)
IDFC First Bank	2.98	Interest	01-Nov-20	18-Jan-21	78.00
IDFC First Bank	0.37	Interest	01-Dec-20	18-Jan-21	48.00
IDFC First Bank	0.03	Interest	01-Jan-21	18-Jan-21	17.00

(*) These delays are on account of Auto Debit not enabled by IDFC Bank which was later noted and paid forthwith.

As on March 31,2020

Term Loan from Financial Institutions

Name of the Financial Institution	Amount	Nature of Payment	Due Date	Date of payment	Delay in Days
Housing Development Finance Corporation Limited	0.64	Interest	01-Feb-20	03-Feb-20	2.00



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(All figures are Rupees in lacs unless otherwise stated)



	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
13.2 Lease Liability-ROU Assets				
i) Lease Liability	10,037.66	10,687.69	2,255.93	2,963.55
Total	10,037.66	10,687.69	2,255.93	2,963.55

I Disclosure in accordance with Ind AS - 116 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015

(a) Movement in Lease Liabilities

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning	13,651.24	9,353.07
Addition during the year	-	5,828.91
Interest on lease liabilities	1,056.80	1,086.27
Lease Payments	2,414.46	2,617.00
Closing	12,293.58	13,651.24

(b) Maturity Profile of Lease Liabilities

The table below provides details regarding Contractual Maturities of Lease Liability as at March 31,2021 on an undiscounted basis.

Ageing	As at March 2021	As at March 2020
Within One year	2,255.93	2,963.55
Two to Five years	6,193.20	5,352.53
More than Five years	8,773.70	11,870.30
Total	17,222.83	20,186.38

(c) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
13.3 Other Financial Liabilities (at amortised cost)				
i) Current maturity of Long term borrowings	-	-	2,467.93	2,147.16
ii) Interest accrued on borrowings (*)	-	-	151.91	179.36
iv) Other Liabilities	-	-	552.34	361.03
v) Employee Liabilities	-	-	66.19	77.38
vi) Capital Creditors	-	-	122.75	183.65
Total	-	-	3,361.11	2,948.58

(*) The above Interest accrued includes interest payable to the lenders and is since been paid.

	As at	
	March 31, 2021	March 31, 2020
	As at	
13.4 Short Term Borrowings (at amortised cost)		
i) Borrowings from related parties - Unsecured		
Inter Corporate Loans	-	300.00
Total	-	300.00

The short term borrowings are repayable on demand, the same carries interest @ 11.2% p.a.

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
13.5 Trade Payables (at amortised cost)				
i) Dues to Micro, small and medium enterprises	-	-	-	-
ii) Dues to other than Micro, small and medium enterprises				
Related Parties	-	-	1,444.61	1,122.03
Others	-	-	1,172.72	1,306.19
Total	-	-	2,617.33	2,428.22

a) Amounts due to Micro, Small and Medium Enterprises

As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This is relied upon by the auditors.



Vizag Seaport Private Limited

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Notes to Standalone financial statements as at and for the year ended March 31, 2021

(All figures are Rupees in lacs unless otherwise stated)



	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
14 Provisions				
i) Provision for employee benefits :				
Gratuity	92.04	84.04	9.56	9.51
Leave Encashment	58.84	58.29	53.11	53.01
ii) Provision towards Obligation under Concession Agreement	3,147.87	2,628.70	-	-
iii) Provision for demurrage charges	-	-	60.84	89.57
Total	3,298.75	2,771.03	123.51	152.09

a) Disclosure under IND AS 37 " Provisions, Contingent Liabilities and Contingent Assets"

i) Provision for replacement cost:

Provision for replacement cost represents the contractual obligation of the Company to restore the project facilities and services developed under the Agreement to a specified level of serviceability during and at the end of the licensing period. Estimate of the provision is measured using a number of factors, such as contractual requirements, technology, expert opinions and expected price levels. Movements in provision for replacement costs are tabulated below:

Particulars	Opening	Addition on account of Finance charges	Utilization	Closing
March 2021	2,628.70	519.17	-	3,147.87
March 2020	2,183.48	445.22	-	2,628.70

ii) Provision for demurrage charges

Based on the Contractual agreement with the parties the Company has provided for demurrage charges.

Particulars	Opening	Addition	Utilisation /Reversal	Closing
March 2021	89.57	19.83	48.56	60.84
March 2020	258.67	30.75	199.85	89.57

b) Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to Rs 20 lacs. The Company's gratuity liability is unfunded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

Particulars	As on	As on
	March 31, 2021	March 31, 2020
(a) Reconciliation of opening and closing balances of Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	93.54	77.03
Current Service Cost	10.16	9.97
Interest Cost	6.27	5.88
Actuarial (Gain) /Loss-Other Comprehensive Income	(7.08)	1.07
Benefits paid	(1.30)	(0.40)
Defined Benefit obligation at the year end	101.60	93.54
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Actuarial Gain/ (Loss)	-	-
Employer Contribution	1.30	0.40
Benefits Paid	(1.30)	(0.40)
Fair Value of Plan Assets at the year end	-	-
Actual Return on Plan Assets	-	-
(c) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets	-	-
Present value of Defined Benefit obligation	101.60	93.54
Liability recognized in Balance Sheet	101.60	93.54
(d) Expenses recognized during the year (Under the head " Employees Benefit Expenses)		
Current Service Cost	10.16	9.97
Interest Cost	6.27	5.88
Expected Rate of return on Plan Assets	-	-
Net Cost	16.43	15.85
(e) Actuarial (Gain)/Loss- Other Comprehensive Income	(7.08)	1.07
(f) Net liabilities recognised in the balance sheet		
Long-term provisions	92.03	84.03
Short-term provisions	9.56	9.51
	101.60	93.54



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ii) Actuarial Assumptions

Particulars	As on	As on
	March 31, 2021	March 31, 2020
Discount rate (per annum)	6.81%	6.75%
Attrition rate	2% - 5%	2% - 5%
Rate of escalation in salary (per annum)	7%	7%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded there is no asset liability matching strategy devised for the plan.

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary Growth Rate	Attrition Rate
Changes in Assumption			
March 31, 2021	1%	1%	1%
March 31, 2020	1%	1%	1%
Increase in assumption			
March 31, 2021	92.88	112.07	101.43
March 31, 2020	85.33	103.44	93.35
Decrease in assumption			
March 31, 2021	111.63	92.35	101.79
March 31, 2020	103.05	84.84	93.77

15 Other Liabilities

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non-Current		Current	
i) Duties and Taxes payable	-	-	221.79	179.40
ii) Advance from customers	-	-	562.04	359.11
iii) Unearned Revenue	-	-	83.82	103.81
iv) Other Payables	-	-	772.63	663.69
Total	-	-	1,640.28	1,306.01

16 Revenue from Operations

	2020-21	2019-20
a) Revenue from port operations		
Cargo Related income	12,742.26	14,029.67
Cargo Related income Outside terminal	113.16	107.89
Berth hire charges	2,551.17	2,380.99
Dust suppression charges	456.38	291.51
	15,862.97	16,810.06
b) Revenue as per INDAS 115- " Revenue Recognition"	586.06	54.74
c) Other operating revenues		
Scrap sales	1,330.49	551.18
Other miscellaneous activities	75.39	139.73
Total	17,854.91	17,555.71



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I Disclosures as required by Appendix D of Ind AS 115 relating to "Service Concession Arrangements: Disclosures"

a) Description of the Arrangement along with salient features of the project:

The Company entered into a license agreement ("the Agreement") with Visakhapatnam Port Trust (VPT) for construction and license out equipment operation management and maintenance of two multi purpose berths EQ 8 and EQ 9 in the northern arm of inner harbour at Visakhapatnam Port for handling Coal, Lime Stone, Rock Phosphate, Sulphur and other bulk cargo or General cargoes or container or liquid bulk cargo (non-hazardous) on Build, Operate and Transfer (BOT) basis for the period of 30 year concession (including construction period of two years). The license agreement with VPT was signed on 28 November 2001 for a period of 30 years. The Company has received rights to carry out cargo related activity over the license period. The premature termination is permitted only upon the happening of force majeure events or upon the parties defaulting on their respective obligations.

b) Obligations of Operations and maintenance

The Company is required to handover the vacant and peaceful possession of project berths at the end of the license period and transfer all its rights, titles and interests in the assets comprised in the project facilities and services as specified in the license agreement to VPT at terminal value specified in the agreement.

The Company at its own cost has to replace the equipment well ahead of the due dates as per the equipment replacement plan given at the Agreement. The Company at its own cost, promptly and diligently repair, replace or restore any of the project facilities and services or part thereof which may be lost, damaged or destroyed.

c) Changes to the Concession during the period

There are no changes to the concession agreement during the year

d) Classification of the Concession

The Company is entitled to collect the revenues from operating and maintenance of the project berths from user during the licensing period. The Company is required to pay the royalty to VPT at 17.111% of certain gross revenues on monthly basis during the licensing period. Having regard to the terms of the arrangement, the right to receive the revenues has been classified as an intangible assets/intangible assets under development (i.e. "Service concession assets") under the head intangible assets. The Company has recognized the following service concession revenue and development costs for increase in capacity.

e) Recognition of Construction services revenue and costs:

Particulars	Period ended	Period ended
	March 31, 2021	March 31, 2020
Revenue recognised on additional infrastructure facilities	586.06	54.74
Development cost incurred during the period	586.06	54.74

II Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Service Type and Customer type:

(i) Revenue disaggregation by type of Service is as follows:

Major Service Type	2020-21	2019-20
Cargo Handling Services	12,172.42	13,608.93
Berth Hire Charges	2,551.17	2,380.99
Plot Rentals	597.47	521.09
Wharfage	83.17	7.43
Dust Suppression Charges	456.38	291.51
Miscellaneous Charges	2.36	0.10
	15,862.97	16,810.06



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(ii) Revenue disaggregation by Customer Type is as follows:

Customer Type	2020-21	2019-20
Government Companies	3,980.81	4,311.51
Non Government Companies	11,882.17	12,498.54
	15,862.98	16,810.06

(iii) Movement in Contract Balances

Particulars	Opening	Billed for the Financial Year	Addition during the year	Closing
Advance from Customers				
March 2021	359.11	341.90	544.82	562.04
March 2020	261.80	227.75	325.06	359.11

(iv) During the year the opening unbilled revenue of Rs.267.27 lakhs has been converted into trade receivable on invoices being raised.

17 Other Income

	2020-21	2019-20
i) Interest Income on Financial Assets at amortised cost	5.14	1,303.70
ii) Unwinding of discount on Security deposit	4.05	3.74
iii) Liabilities no longer required	111.35	111.04
iv) Foreign Exchange Gain	-	0.78
Total	120.54	1,419.26

18 Operating expenses

	2020-21	2019-20
i) Cargo Related Expenses	3,020.08	3,141.01
ii) Stevedoring Charges	-	171.29
iii) Construction Cost	586.06	54.74
iv) Cargo handling charges outside the terminal	751.49	779.67
v) Bulk material handling system maintenance	562.62	536.44
vi) Repairs and maintenance:		
- Plant and machinery	473.74	383.67
- Project berths	90.73	82.74
vii) Power and fuel:		
- Diesel expense	491.81	464.91
- Electricity	234.70	244.98
viii) Royalty on revenue (Refer Note no. 16(i)(d))	902.52	860.06
ix) Labour charges	1,113.16	1,128.23
x) Lease rentals to VPT	524.24	501.29
xi) Insurance premium	135.28	119.58
xii) Dredging expenses	59.36	30.91
xiii) Survey charges	80.59	115.18
xiv) Railway staff charges	128.80	120.44
xv) Tarpaulin covering charges	329.84	207.29
xvi) Charges for wagons demurrage	125.55	156.92
xvii) Reimbursement of Customs Staff cost	108.95	108.64
xviii) Water charges to terminal	131.70	140.29
Total	9,851.22	9,348.28

19 Employee benefit expenses

	2020-21	2019-20
i) Salaries, wages and bonus	972.05	916.85
ii) Contributions to Provident Fund	32.96	26.02
iii) Staff Welfare Expenses	47.16	50.80
iv) Expenses related to compensated absences	4.78	15.67
v) Expenses related to defined benefit plans	16.43	15.85
Total	1,073.38	1,025.19



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Notes to Standalone financial statements as at and for the year ended March 31, 2021
(All figures are Rupees in lacs unless otherwise stated)



20 Finance Costs:

i)	Interest expenses on Financial liabilities at amortised cost
ii)	Interest expenses on Lease Liability
iii)	Other finance costs
iv)	Finance Cost related to Obligation under Service Concession Arrangement
	Total

2020-21	2019-20
1,862.63	2,022.33
1,056.80	1,086.27
58.68	45.62
519.17	445.22
3,497.28	3,599.44

21 Depreciation & Amortization

i)	Depreciation on Property, Plant and Equipment
ii)	Amortisation on Intangible Assets
iii)	Depreciation on ROU Assets
	Total

2020-21	2019-20
39.53	38.45
1,475.19	1,455.65
2,224.26	2,113.42
3,738.98	3,607.52

22 Other expenses

i)	Legal and professional fee
ii)	Auditors Remuneration
iii)	CSR Expense
iv)	Rent,Rates and taxes
v)	Security charges
vi)	Repairs and maintenance - others
vii)	Travel and conveyance
viii)	Communication expenses
ix)	Vehicle hire charges
x)	Business promotion expenses
xi)	Membership and Subscription
xii)	Insurance premium
xiii)	Office maintenance
xiv)	Donations
xv)	Allowance on impairment of trade receivables
xvi)	Impairment of Financial Asset (Refer Note 7.3)
xvii)	Loss on sale of property, plant and equipment (net)
xviii)	Miscellaneous expenses
	Total

2020-21	2019-20
146.74	100.47
13.65	14.73
74.37	1.77
11.93	2.59
86.85	129.75
15.38	27.30
5.81	38.42
15.49	14.43
42.21	43.28
3.47	4.39
2.42	4.47
22.46	25.42
18.61	21.62
5.15	0.70
33.70	28.02
2,886.93	-
0.80	-
17.58	39.24
3,403.55	496.59

a) Payment to auditors

i)	Statutory Audit (including Limited Review)
ii)	Tax Audit
iii)	Tax Matters
iv)	Other Certification
	Total payments to auditors

2020-21	2019-20
11.00	9.10
2.00	1.50
0.65	0.60
-	3.53
13.65	14.73

23 Tax Expense

a) Income tax expense in the statement of profit and loss consists of:

Current Tax	-	142.00
Tax Related to earlier years	3.26	(1.41)
	3.26	140.59
Deferred Tax		
Minimum alternative tax (Entitlement)/Utilisation	762.00	(29.38)
Attributable to origination and reversal of temporary differences	(540.53)	15.32
	221.47	(14.06)

2020-21	2019-20
-	142.00
3.26	(1.41)
3.26	140.59
762.00	(29.38)
(540.53)	15.32
221.47	(14.06)

Income tax recognised in statement of profit or loss

224.73	126.53
---------------	---------------

Recognised in other comprehensive income

Deferred tax related to items recognised in OCI during the year

-	-
-	-



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Vizag Seaport Private Limited

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Notes to Standalone financial statements as at and for the year ended March 31, 2021

(All figures are Rupees in lacs unless otherwise stated)



b) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

Particulars	2020-21	2019-20
A Current Tax		
Accounting profit before income tax	(3,588.97)	897.94
Enacted tax rates in India (%)	29.120%	27.820%
Computed expected tax expenses	(1,045.11)	249.81
Net changes on account of disallowances	2,786.64	1,442.97
Net changes on account of Allowances	979.53	1,011.13
Tax under Normal Provisions	762.00	681.64
MAT Credit Utilised	762.00	-
Set off of unabsorbed tax depreciation	-	(573.23)
Income tax expenses - Net.....A	-	108.41
Tax liability as per Minimum Alternate Tax on book profits	(3,588.97)	897.94
Minimum Alternate Tax rate	16.692%	16.692%
Computed tax liability on book profits	(599.07)	149.88
Tax effect on adjustments:		
On account of Opening INDAS Adjustments	(8.61)	(8.61)
Others	-	0.72
Minimum Alternate Tax on Book ProfitB	-	142.00
Higher of A or B	-	142.00

B Deferred Tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	Recognised in profit and loss	Closing
Property, Plant and Equipment	(2,707.47)	326.30	(2,381.16)
Employee benefits	51.72	5.26	56.99
Unabsorbed depreciation & Losses	604.47	(604.47)	-
Provision for replacement cost	635.83	95.47	731.30
MAT Credit Entitlement	1,916.17	29.38	1,945.55
Lease Liability	-	162.10	162.10
As at March 31, 2020	500.73	14.06	514.77
Property, Plant and Equipment	(2,381.16)	152.59	(2,228.58)
Employee benefits	56.99	2.42	59.41
Unabsorbed depreciation & Losses	-	-	-
Provision for replacement cost	731.30	144.43	875.74
MAT Credit Entitlement	1,945.55	(762.00)	1,183.55
Lease Liability	162.10	241.09	403.19
As at March 31, 2021	514.78	(221.47)	293.31

24 Disclosure as required by Accounting Standard – IND AS 33 “Earning Per Share” of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	2020-21	2019-20
Net Profit / (Loss) as per Statement of Profit and Loss	(3,813.69)	771.41
Outstanding equity shares at period end	87,191,264	87,191,264
Weighted average Number of Shares outstanding during the period – Basic	87,191,264	87,191,264
Weighted average Number of Shares outstanding during the period - Diluted	87,191,264	87,191,264
Earnings per Share - Basic (Rs.)	(4.37)	0.88
Earnings per Share - Diluted (Rs.)	(4.37)	0.88

Reconciliation of weighted number of outstanding during the period:

Particulars	2020-21	2019-20
Nominal Value of Equity Shares (Rs per share)	10.00	10.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	87,191,264	87,191,264
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	87,191,264	87,191,264
Weighted average number of equity shares at the end of the period	87,191,264	87,191,264

The Company has not issued any potential dilutive equity share and therefore the Basic and Dilutive earning per Share will be the same. The earning per share is calculated by dividing the profit after tax by weighted average no. of shares outstanding.



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Notes to Standalone financial statements as at and for the year ended March 31, 2021
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25 Expenditure incurred on Corporate Social Responsibility

- a) Gross amount required to be spent by the company during the year : Rs. 42 lakhs
b) Amount approved by the Board to be spent during the year for unspent as at March 31,2020 : Rs. 32.37 lakhs

c) **Amount spent during the year on:**

Particulars	Amount (in Rs)
(i) COVID Related Expense	27.60
(ii) School Building-construction	3.00
(iii) Pollution Board-display	1.77
Total	32.37

d) **Unspent amount:**

Particulars	2019-20	2020-21
Opening Balance	30.14	-
Amount required to be spent during the year	-	42.00
Amount spent during the year	32.37	-
Excess Spent charged to P&L	2.23	-
Closing Balance	-	42.00

26 Commitments

Particulars	March 31, 2021	March 31, 2020
Capital Commitments	-	212.55
Total	-	212.55

27 Contingent Liabilities

(i) Particulars	March 31, 2021	March 31, 2020
Bank Guarantees	210.00	210.24
Claims not acknowledged as debts		
Letter of Credit	39.17	-
Disputed Claims of VPT	1,009.41	1,009.41
Disputed Claims of Lease rentals	5,021.04	1,732.42
Disputed Claims and other matters	510.88	771.24
(ii) Pending Litigations		
Particulars	March 31, 2021	March 31, 2020
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.

- 28 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.

- 29 **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 15,862.97 lakhs (Previous period: Rs.16,810.06 lakhs).
- b) **Major Customers**
The top four customers account for 50.89% of the total revenue i.e. Rs.8777.10 lakhs during 2020-2021 (Previous period:Top four customers accounted for 44.55% of the total revenue i.e. Rs 7795.92 lakhs).
- c) **Information about Geographical areas**
Company's operation are confined in Vishakapatnam only. All its revenue are generated in the said geographical location.

- 30 **Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015**
Details are given in Annexure -1

- 31 **Derivative Instruments and Unhedged Foreign Currency Exposure**
There are no derivative instruments and unhedged Foreign Currency Exposure as on March 2021.



Vizag Seaport Private Limited

CIN : U45203AP2001PTC038955

Notes to Standalone financial statements as at and for the year ended March 31, 2021

(All figures are Rupees in lacs unless otherwise stated)



32 **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. Uncertainty 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.

33 **Financial Instruments**

i) The carrying value and fair value of financial instruments by categories as at March 31, 2021, and March 31, 2020 is as follows:

	Carrying Value		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
a) Financial Assets				
<i>Amortised Cost</i>				
Loans	11,200.25	11,209.00	11,200.25	11,209.00
Others	262.90	3,218.30	262.90	3,218.30
Trade receivables	2,023.57	2,445.82	2,023.57	2,445.82
Cash and cash equivalents	1,441.13	163.56	1,441.13	163.56
Total Financial Assets	14,927.86	17,036.69	14,927.86	17,036.69
b) Financial Liabilities				
<i>Amortised Cost</i>				
Borrowings	16,689.20	17,441.15	16,689.20	17,441.15
Trade payables	2,617.33	2,428.22	2,617.33	2,428.22
Lease Liability	12,293.58	13,651.24	12,293.58	13,651.24
Others	893.19	801.42	893.19	801.42
Total Financial Liabilities	32,493.30	34,322.04	32,493.30	34,322.04

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.

34 **Fair value hierarchy**

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

35 **Financial Risk Management**

Risk management framework:

The Company's activities 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.



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Notes to Standalone financial statements as at and for the year ended March 31, 2021

(All figures are Rupees in lacs unless otherwise stated)



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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 2021		As at 31 March 2020	
	Average interest rate	Balance outstanding	Average interest rate	Balance outstanding
	%	Rs in lacs	%	Rs in lacs
Financial liabilities (Variable rate instruments)				
Term loans	10.93	16,641.29	11.25	17,082.43
Other Loans	8.05	47.91	8.05	58.73
Loans from Related Parties	-	-	11.25	300.00
Financial assets (Variable rate instruments)				
Loan to related parties	11.18	10,977.41	11.75	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	Effect on profit
		before tax	before tax
		2020-21	2019-20
Financial liabilities			
Interest rates - increase - 1%	100.00	(166.89)	(171.41)
Interest rates - decrease - 1%	(100.00)	166.89	171.41
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.



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Notes to Standalone financial statements as at and for the year ended March 31, 2021
(All figures are Rupees in lacs unless otherwise stated)



The Working Capital Position of the Company is given below:

Particulars	March 31, 2021	March 31, 2020
Cash and Bank Balance	1,441.13	163.56
Trade Receivable	2,023.57	2,445.82
Loans and Advances	11,098.16	11,100.96
Other Financial Assets	262.90	3,218.30
Total	14,825.76	16,928.64
Less:		
Borrowings	-	300.00
Lease Liability - ROU Asset	2,255.93	2,963.55
Trade payables	2,617.33	2,428.22
Provisions	123.51	152.09
Other Current liabilities	1,640.28	1,306.01
Other financial liabilities	3,361.11	2,948.58
	9,998.15	10,098.45
Net Working Capital	4,827.61	6,830.19

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, 2021				
Borrowings	2,467.93	10,790.28	3,452.80	16,711.00
Trade Payables	2,617.33	-	-	2,617.33
Other Current Financial Liabilities	893.19	-	-	893.19
Total	5,978.44	10,790.28	3,452.80	20,221.52
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

The above contractual Maturity profile does not include Lease Liability for which profile is separately disclosed vide Note No. 13.2 (l)(b)

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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, 2021	March 31, 2020
Gross Debt	16,711.00	17,469.66
Less: Cash and Cash Equivalent	1,441.13	163.56
Net debt (A)	15,269.87	17,306.10
Total Equity (B)	8,358.51	12,165.11
Gearing ratio (A/B)	0.55	0.70



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Notes to Standalone financial statements as at and for the year ended March 31, 2021

(All figures are Rupees in lacs unless otherwise stated)



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Impact of COVID-19 Pandemic

On account of spread of Novel Corona Virus (COVID-19) Pandemic across the globe and in our Country since March'2021, the 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 the company faced a major challenge of operating with reduced man power and consequent lower productivity during the year 2020-21. However, the 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 the Company has faced during the year 2020-21. However, the 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.

Given the heightened uncertainty due to the COVID -19 pandemic, the company is focused on conserving cash and ensuring adequate liquidity to take care of potential disruptions in the operating environment. Accordingly, the Company, under the loan Moratorium Scheme of RBI deferred its two quarter Principal instalments due on 1st 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.

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 except for the effects already taken in financials for the current year. Further, there is no concern or disability of the Company to continue as a Going concern.

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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, 2021.

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


Nishant Khair
Partner
M.No.124960



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


R. Kishore
CEO & Whole time Director
DIN: 0000344011


Kishalay Bandopadhyay
Director
DIN: 0000255055

Subbaraman Natarajan
Company Secretary
M No: 6616

Dated: June 28, 2021
Place: Mumbai

Dated: June 28, 2021
Place: Vishakapatnam



**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
- Elgan India Martrade Private Limited (Formerly known as Eversun Sparkle Maritime Services Private Limited)
- Srivatsa Techo Corporation LLP
- Pinnacle Hospitals India Private Limited
- International seaport (Haldia) Pvt Limited

Key managerial personnel (KMP)

- R Kishore – Whole Time Director and Chief Executive Officer
- A V Vaitheeswaran - Chief Financial Officer (upto December 31, 2020)
- V V Sudhakar Roy (upto December 31, 2020)
- Homai Daruwalla - Independent Director
- Shiraz Erch Poonevala - Independent Director

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

Sl No	Particulars	Holding Company	Entity having significant influence	Enterprises where significant influence exists	Key managerial personnel (KMP)	Total
1	<u>Interest Income</u> <i>(Previous Year)</i>	-	-	-	-	-
	Gammon Infrastructure Projects Ltd	(1,290.61)	-	-	-	(1,290.61)
		(1,290.61)	-	-	-	(1,290.61)
2	<u>Accrued Interest Written Off</u> <i>(Previous Year)</i>	2,886.93	-	-	-	2,886.93
	Gammon Infrastructure Projects Ltd	2,886.93	-	-	-	2,886.93
		-	-	-	-	-
3	<u>Cargo Handling Charges</u> <i>(Previous Year)</i>	-	-	5,528.26	-	5,528.26
	Eversun Marine Trade Private Limited	-	-	(6,218.23)	-	(6,218.23)
		-	-	5,482.39	-	5,482.39
		-	-	(6,190.63)	-	(6,190.63)
	Elgan India Martrade Private Limited (Formerly known as Eversun Sparkle Maritime Services Private Limited)	-	-	45.86	-	45.86
		-	-	(27.59)	-	(27.59)
4	<u>Dumper Repairs and Maintenance</u> <i>(Previous Year)</i>	-	-	450.32	-	450.32
	Elgan India Martrade Private Limited (Formerly known as Eversun Sparkle Maritime Services Private Limited)	-	-	(445.92)	-	(445.92)
		-	-	450.32	-	450.32
		-	-	(445.92)	-	(445.92)
5	<u>Operation and Maintenance of Equipments</u> <i>(Previous Year)</i>	-	-	733.67	-	733.67
	Srivatsa Techo Corporation LLP	-	-	(701.15)	-	(701.15)
		-	-	733.67	-	733.67
		-	-	(701.15)	-	(701.15)
6	<u>Finance Charges</u> <i>(Previous Year)</i>	-	-	36.36	-	36.36
	Elgan India Martrade Private Limited (Formerly known as Eversun Sparkle Maritime Services Private Limited)	-	-	(29.57)	-	(29.57)
		-	-	30.46	-	30.46
		-	-	(24.17)	-	(24.17)
	International seaport (Haldia) Pvt Limited	-	-	5.89	-	5.89
		-	-	(5.39)	-	(5.39)



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Sl No	Particulars	Holding Company	Entity having significant influence	Enterprises where significant influence exists	Key managerial personnel (KMP)	Total
1	<u>Interest Income</u>	-	-	-	-	-
7	<u>Staff Welfare Expenses</u> <u>(Previous Year)</u>	-	-	(2.24)	-	(2.24)
	Pinnacle Hospitals India Private Limited	-	-	(2.24)	-	(2.24)
8	<u>Director's Sitting Fees</u> <u>(Previous Year)</u>	-	-	-	8.90	8.90
	Homai Daruwalla	-	-	-	6.30	6.30
	Shiraz Erch Poonevala	-	-	-	4.45	4.45
		-	-	-	3.15	3.15
		-	-	-	4.45	4.45
		-	-	-	3.15	3.15
9	<u>Directors Remuneration</u> <u>(Previous Year)</u>	-	-	-	276.90	276.90
	R Kishore	-	-	-	(296.30)	(296.30)
	V V Sudhakar Roy	-	-	-	168.00	168.00
	A V Vaitheeswaran	-	-	-	(158.00)	(158.00)
		-	-	-	59.90	59.90
		-	-	-	(76.07)	(76.07)
		-	-	-	49.01	49.01
		-	-	-	(62.24)	(62.24)
10	<u>Reimbursement of Expenses incurred on behalf of</u> <u>(Previous Year)</u>	-	-	(11.05)	-	(11.05)
	Eversun Marine Trade Private Limited	-	-	(11.05)	-	(11.05)
11	<u>Reimbursement of Expenses incurred on our behalf</u> <u>(Previous Year)</u>	-	-	2.16	-	2.16
	Elgan India Martrade Private Limited (Formerly known as Eversun Sparkle Maritime Services Private Limited)	-	-	(26.48)	-	(26.48)
	Eversun Marine Trade Private Limited	-	-	-	-	-
	Ripley and Stevedoring Pvt Limited	-	-	-	-	-
		-	-	1.74	-	1.74
		-	-	(4.18)	-	(4.18)
		-	-	0.42	-	0.42
		-	-	-	-	-
		-	-	(22.30)	-	(22.30)
12	<u>Revenue from Port Operations</u> <u>(Previous Year)</u>	-	-	328.39	-	328.39
	Eversun Marine Trade Private Limited	-	-	(249.96)	-	(249.96)
	Ripley and Stevedoring Pvt Limited	-	-	328.39	-	328.39
		-	-	(154.07)	-	(154.07)
		-	-	(95.89)	-	(95.89)
13	<u>Loan Taken</u> <u>(Previous Year)</u>	-	-	(300.00)	-	(300.00)
	Elgan India Martrade Private Limited (Formerly known as Eversun Sparkle Maritime Services Private Limited)	-	-	(300.00)	-	(300.00)
14	<u>Loan Repaid</u> <u>(Previous Year)</u>	-	-	300.00	-	300.00
	Elgan India Martrade Private Limited (Formerly known as Eversun Sparkle Maritime Services Private Limited)	-	-	300.00	-	300.00
15	<u>Capital Work</u> <u>(Previous Year)</u>	-	-	27.71	-	27.71
	Srivatsa Techo Corporation LLP	-	-	(80.16)	-	(80.16)
		-	-	27.71	-	27.71
		-	-	(80.16)	-	(80.16)
16	<u>Interest Accrued Receivable</u> <u>(Previous Year)</u>	(2,886.93)	-	-	-	(2,886.93)
	Gammon Infrastructure Projects Ltd	(2,886.93)	-	-	-	(2,886.93)



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SI No	Particulars	Holding Company	Entity having significant influence	Enterprises where significant influence exists	Key managerial personnel (KMP)	Total
1	Interest Income	-	-	-	-	-
17	Outstanding Receivable	10,977.41	-	32.84	-	11,010.25
	<i>(Previous Year)</i>	<i>(10,977.41)</i>	-	<i>(22.69)</i>	-	<i>(11,000.10)</i>
	Gammon Infrastructure Projects Ltd	10,977.41	-	-	-	10,977.41
	Ripley and Stevedoring Pvt Limited	(10,977.41)	-	-	-	(10,977.41)
		-	-	32.84	-	32.84
		-	-	(22.69)	-	(22.69)
18	Outstanding Payable	-	95.13	1,444.21	14.18	1,553.52
	<i>(Previous Year)</i>	-	<i>(95.13)</i>	<i>(1,491.44)</i>	<i>(29.21)</i>	<i>(1,615.78)</i>
	Gammon India Limited	-	95.13	-	-	95.13
		-	(95.13)	-	-	(95.13)
	International seaport (Haldia) Pvt Limited	-	-	1.45	-	1.45
		-	-	(1.35)	-	(1.35)
	Srivatsa Techo Corporation LLP	-	-	185.96	-	185.96
		-	-	(191.28)	-	(191.28)
	Eversun Marine Trade Private Limited	-	-	1,137.13	-	1,137.13
		-	-	(917.98)	-	(917.98)
	Elgan India Martrade Private Limited (Formerly known as Eversun Sparkle Maritime Services Private Limited)	-	-	119.67	-	119.67
		-	-	(380.83)	-	(380.83)
	R Kishore	-	-	-	14.18	14.18
	V V Sudhakar Roy	-	-	-	(9.35)	(9.35)
		-	-	-	-	-
	A V Vaitheeswaran	-	-	-	(10.77)	(10.77)
		-	-	-	-	-
		-	-	-	(9.09)	(9.09)

(Previous Years figures are in bracket)

* 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.

