

INDEPENDENT AUDITORS' REPORT

To,

The Members of

KAKINADA GATEWAY PORT LIMITED

REPORT ON THE AUDIT OF THE STAND ALONE FINANCIAL STATEMENTS :

OPINION

We have audited the accompanying Standalone Financial Statements of **KAKINADA GATEWAY PORT LIMITED** ("the Company"), which comprise the Balance Sheet As At March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of Changes in Equity for the year ended on that date, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Profit including other comprehensive income, its Cash Flows and changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the standards on auditing (SAs) as 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 Standalone 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 that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the Financial Year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our audit report.



INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, 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 express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's board of directors is responsible for the matters stated in section 134 (5) of 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 including other comprehensive income, Cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement 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.

Those Board of directors are 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:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Standalone 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 '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 and the cash flow statement 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Hyderabad

Date : 08.06.2020

For **S. Venkatadri & Co.,**
Chartered Accountants
Firm's Regn No.004614S


(K.SRINIVASA RAO)
P A R T N E R
M.No.201470



Annexure "A" to the Independent Auditor's Report

With reference to the Annexure referred to in paragraph 1 under the heading "Report on other legal & Regulatory Requirements" of our Report of even date to the members of **KAKINADA GATEWAY PORT LIMITED**, on the standalone financial statements for the year ended 31st March 2020, We report that :

- (i). (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of company.
- (ii). The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable and adequate and no material discrepancies are noticed during our audit.
- (iii). In respect of the Loans, secured or unsecured, granted by the Company to companies, firms or other parties listed in the register maintained under section 189 of the Companies act 2013:
 - a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interest of the Company.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and repayment of principal amounts and/or receipts of interest have been regular as per stipulations.
 - c) There are no overdue amounts as at the year-end in respect of both principal and interest.
- iv). In our opinion and according to the information and explanations given to us, Company has complied with the provision of Section 185 and 186 of Companies Act, 2013 in respect of grant of Loans, making investments and providing guarantees and securities, as applicable.
- v). The Company has not accepted deposits from the public covered by the provisions of Section 73 to 76 of the Companies Act, 2013.
- vi). As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act, for any of the services rendered by the Company.
- vii). (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, GST, Custom Duty, GST, Value Added Tax, Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India.



(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, GST, Service Tax and Customs Duty which have not been deposited on account of any disputes.

- viii). The company has not defaulted in repayment of dues to its Bank in respect of Loans taken by it. There were no dues payable to any financial institution/s.
- ix). In Our Opinion and according to the information and explanations provided by the management, the Company has utilized the monies raised by way of debt instruments and term loans for the purposes for which they were raised..
- x). According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of audit.
- xi). According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the act.
- xii). In Our Opinion and according to the explanations given to us, the company is not a Nidhi company. Accordingly, provisions of clause (xii) of the order are not applicable.
- xiii). According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable standards.
- xiv). According to the information and explanations given to us, the company has not made any preferential allotment or Private placement of shares or fully or partly convertible debentures during the year.
- xv). According to the information and explanations given to us and based on our examination of the records of the company, The company has not entered into any non-cash transactions with the directors or persons connected with him as referred to in section 192 of Companies Act, 2013. Accordingly, Provisions of clause (xv) of the order are not applicable.
- xvi). According to the information and explanations provided to us, the provisions of Section 45-IA of the Reserve bank of India Act, 1934 are not applicable to the company.

Place : Hyderabad

Date : 08.06.2020

For **S. Venkatadri & Co.,**
Chartered Accountants
Firm's Regn No.004614S


(K.SRINIVASA RAO)
PARTNER
M.No.201470



Annexure "B" to the Independent Auditors' Report of even date on the Financial Statements of KAKINADA GATEWAY PORT LIMITED

Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **KAKINADA GATEWAY PORT LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Hyderabad

Date : 08.06.2020

For **S. Venkatadri & Co.,**
Chartered Accountants
Firm's Regn No.004614S


(K.SRINIVASA RAO)
PARTNER
M.No.201470



KAKINADA GATEWAY PORT LIMITED
BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Notes	IND AS	In Rs.
		March 31, 2020	March 31, 2019
Assets:			
Non Current Assets			
Investment Property under construction	3	4,16,77,40,353	11,29,90,865
CWIP		-	-
Financial Assets			
Other non-current assets	4	4,51,00,10,000	3,82,00,00,000
Current Assets			
Financial Assets			
Cash and cash equivalents	5	37,26,233	4,02,84,817
Other current assets	4	1,77,27,25,967	1,75,94,71,966
Total Assets		10,45,42,02,553	5,73,27,47,648
Equity & Liabilities:			
Equity			
Equity Share Capital	6	1,00,000	1,00,000
Other equity	7	1,76,97,69,337	1,53,99,63,942
Non-Current Liabilities			
Financials Liabilities			
Borrowings	8	4,41,58,86,090	4,15,12,54,951
Current liabilities			
Financials Liabilities			
Trade payables			
Due to micro enterprises and small enterprises			
Due to others	9	4,22,45,42,689	20,000
Other financial liabilities	10	4,37,32,286	4,13,06,035
Other current Liabilities	11	1,72,151	1,02,721
Total Equity & Liabilities		10,45,42,02,553	5,73,27,47,648
Significant Accounting Policies	1&2		

As per our report of even date

For M/s S.Venkatadri & Co
Chartered Accountants
Firm Reg. No. 004614S


K. Srinivas Rao

Partner
Membership No: 201470
Place: Hyderabad

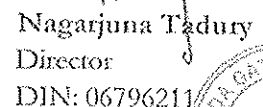
Date: 29th May, 2020

For and on behalf of the Board of Directors


BHA. Ramaraju

Director
DIN No..08137813
Place: Kakinada

Date: 29th May, 2020


Nagarjuna Tadury

Director
DIN: 06796211



KAKINADA GATEWAY PORT LIMITED
Statement of profit and loss for the Year ended 31st March-2020

in Rs.

Particulars	Notes	01st April-2019 to 31st March, 2020	01st April-2018 to 31st March, 2019
Income			
Other income			
Total Revenue		-	-
Expenses			
Other Expenses	12	50,546	35,010
Finance Costs	13	713	-
Total Expenses		51,259	35,010
Profit/(loss) before exceptional items and tax		(51,259)	(35,010)
Exceptional items			
Profit/(loss) before and tax		(51,259)	(35,010)
(1) Current tax		-	-
(2) Deferred tax		-	-
Income tax expense		-	-
Profit/(loss) for the year -(A)		(51,259)	(35,010)
Other Comprehensive Income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		-	-
Income tax effect		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Income tax effect		-	-
Re-measurement (losses) / gains on post employment defined benefit plans		-	-
Other Comprehensive Income for the Year- (B)		-	-
Total comprehensive income for the year (A+B)		(51,259)	(35,010)
Earning Per Share	14	-5.13	-3.50

As per our report of even date

For M/s S.Venkatadri & Co
Chartered Accountants
Firm Reg. No. 004614S

K. Srinivas Rao
Partner
Membership No: 201470



For and on behalf of the Board of Directors

BHA. Ramaraju
Director
DIN No..08137813

Nagarjuna Tadury
Director
DIN: 06796211

Place: Hyderabad
Date: 29th May, 2020

Place: Kakinada
Date: 29th May, 2020



KAKINADA GATEWAY PORT LIMITED

Statement of Changes in Equity

Statement of SOCE for the Year ended 31st March-2020

In Rs.

Particulars	Equity share capital	Reserve and surplus	Items of OCI	Total equity
		Retained earnings		
As at 1 April 2018	1,00,000	(38,928)	-	61,073
Profit for the period/movement	-	(35,010)	-	(35,010)
Other comprehensive income	-	-	-	-
Equity component of loan from Group company	-	1,54,00,37,879	-	1,54,00,37,879
At 31 March 2019	1,00,000	1,53,99,63,941	-	1,54,00,63,942
Profit for the period	-	(51,259)	-	(51,259)
Equity component of loan from Group company	-	22,98,56,655	-	22,98,56,655
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-
At 31 March 2020	1,00,000	1,76,97,69,336	-	1,76,98,69,337

For M/s S.Venkatadri & Co

Chartered Accountants

Firm Reg. No. 004614S

K.Srinivas Rao

Partner

Membership No: 201470

Place: Hyderabad

Date: 29th May, 2020



For and on behalf of the Board of Directors

BHA. Ramaraju

Director

DIN No. 08137813

Place: Kakinada

Date: 29th May, 2020

Nagarjuna Tadury

Director

DIN: 06796211



KAKINADA GATEWAY PORT LIMITED
Statement of Cash Flow for the Year ended March 31, 2020

In Rs.

Particulars	March 31, 2020	March 31, 2019
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(51,259)	(35,010)
Profit / (loss) before tax expenses	(51,259)	(35,010)
Adjustments to reconcile (loss) / profit before tax to net cash flows		
Finance costs	713	-
Operating profit before working capital changes	(50,546)	(35,010)
Movements in working capital :		
Trade receivables		
Other financial assets		
(Increase)/decrease in other assets	(70,32,64,001)	(5,57,94,71,966)
Increase/(decrease) in trade payables	4,22,45,22,689	15,000
Increase/(decrease) in other financial liabilities	34,26,251	4,13,06,055
Increase/(decrease) in other liabilities	69,430	1,02,721
Cash generated from operations	3,52,37,03,823	(5,53,80,83,220)
Direct taxes paid	-	-
Net cash flow from operating activities (A)	3,52,37,03,823	(5,53,80,83,220)
CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES		
Interest received (finance income)		
Increase in capital work in progress/PPE	(4,05,47,49,488)	(11,29,90,865)
Net cash flow used in investing activities (B)	(4,05,47,49,488)	(11,29,90,865)
CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium and net of related securities issue expenses) & Equity Component of loan received from group companies	22,98,56,655	1,54,00,37,879
Proceeds from borrowings	26,46,31,139	4,15,12,54,951
Repayment of borrowings		
Finance costs paid	(713)	
Net cash flow (used in) / from financing activities (C)	49,44,87,080	5,69,12,92,830
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(3,65,58,585)	4,02,18,745
Cash and cash equivalents at beginning of the year	4,02,84,817	66,073
Cash and cash equivalents at year end	37,26,233	4,02,84,817
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks:		
- On current accounts		
Cash on hand / credit card collection	37,26,233	4,02,84,817
Cash at bank and short term deposits attributable to entities held for sale		

Particulars	01-04-2019	Cash Flows	Non Cash changes	31-03-2020
			Fair Value changes	Others
Long Term Borrowings	4,15,12,54,951	46,83,19,140	(20,36,88,001)	4,41,58,86,090

As per our report of even date

For M/s S.Venkatadri & Co
Chartered Accountants
Firm Reg. No. 004614S

K.Srinivas Rao
Partner
Membership No: 201470

Place: Hyderabad
Date: 29th May, 2020



For and on behalf of the Board of Directors

BHA. Ramaraju
Director
DIN No. 08137813

Nagarajana Taduri
Director
DIN: 067962117

Place: Kakinada
Date: 29th May, 2020



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

Note : I

1. Corporate Information

Kakinada Gateway Port Ltd is a limited Company domiciled in India. It is a subsidiary to Kakinada SEZ Limited. The Company To carry on the business in India or elsewhere to establish, own, design, construct, erect, develop, convert, equip, recondition, remodel, renovate, operate, manage, maintain, lease or otherwise deal with these a port terminals for bulk, breakbulk, liquid, chemicals, gas, petroleum products and containerized cargo and port related infrastructural work so fall descriptions including sea ports, shipyards, wharfs, piers, docks, harbours, jetties, slipways, shiplifts, breakwaters, dredging, berths or dry dock, container terminals or any kind of equipment, lighthouses, buildings or works for storage, warehouse, loading, unloading, transport in connection with the jointly with one or more entities, bodies corporate, government, local or other bodies through a suitable financial structure or other arrangement. The financial statements were approved for issue in accordance with a resolution of the directors on 29th May 2020

2. Significant Accounting Policies

A. Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter

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.

The financial statements are presented in Indian Rupees ("INR")

B. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when it is:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, plant and equipment

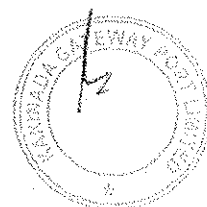
Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:
(a) it is probable that future economic benefits associated with the item will flow to the entity; and
(b) the cost of the item can be measured reliably.

Fixed Assets are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the expenditure that is directly attributable to the acquisition of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 the statement of profit and loss when the asset is derecognised.



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

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.

c. Depreciation on Property, plant and equipment

Depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 except for assets individually costing less than Rs. 5,000 which are fully depreciated in the year of acquisition

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation charges for impaired assets is adjusted in future periods in such a manner that revised carrying amount of the asset is allocated over its remaining useful life.

d. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised using straight line method so as to write off the cost of investment property less their residual values over their useful lives specified in schedule II to the Companies Act, 2013, or in the case of assets where useful life was determined by technical evaluation, over the life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. Freehold land and properties under construction are not depreciated.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets include software and their useful lives are assessed as either finite or indefinite.

f. Amortisation of intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets like the Software licence are amortised over the useful life of 6 years as estimated by the management.

g. Borrowing cost

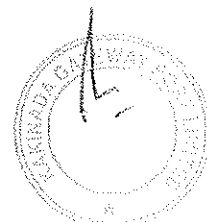
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment properties, intangible assets and investments in associates and joint ventures determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in case of an individual asset, at the higher of the net selling price and the value in use; and



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

(ii) in case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the consolidated statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

i. Provisions, Contingent liabilities, Contingent assets, and Commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost."

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

1. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by associates and joint ventures are measured at cost less impairment.

Effective interest method

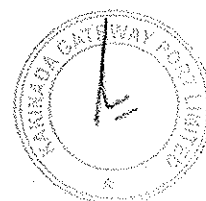
The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model 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.

Financial assets measured at fair value



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets 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.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through profit or loss.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

For trade and other receivables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(b) Financial liabilities and equity instruments

Classification as debt or equity



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

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.

a. Financial guarantee contracts

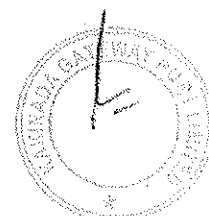
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

b. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Company has not entered into commercial leases during the financial year.



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

k. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

l. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period."

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

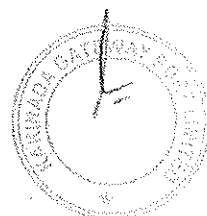
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value.

m. Revenue recognition

The Company applied Ind AS 115 for the first time from April 1, 2018. Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

In current financial year, Company does not have any revenue arising from contract with customers and thus there is no impact on the financial statements of the company on account this new revenue recognition standard



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Other interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

n. Taxes

Tax expense comprises current and deferred tax.

Current income tax

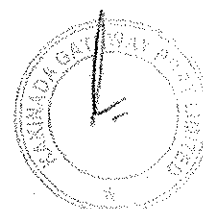
Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate."

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.



Kakinada Gateway Port Ltd

Notes to IND AS Accounts

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

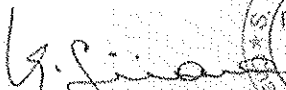
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

o. Corporate Social Responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

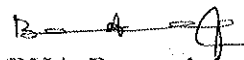
For M/s S.Venkatadri & Co
Chartered Accountants
Firm Reg. No. 004614S

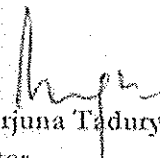

K. Srinivas Rao
Partner
Membership No: 201470



Place: Hyderabad
Date: 29th May, 2020

For and on behalf of the Board of Directors


BHA. Ramaraju
Director
DIN No..08137813


Nagarjuna Tadury
Director
DIN: 06796211

Place: Kakinada
Date: 29th May, 2020



KAKINADA GATEWAY PORT LIMITED
Notes to the financial statements as at March 31, 2020

Note.3

Investment property under construction

In Rs

Particulars	As at March 31, 2020	As at March 31, 2019
	IndAs	IndAs
Land and Land Related Expenses	38,80,88,679	18,60,000
Rehabilitation Expenses		
Interest & Finance Charges	3,49,98,73,033	11,06,42,195
Rates & Taxes	11,14,605	9,500
Consultancy Charges	11,51,08,094	4,76,550
Overhead Cost	16,18,72,234	2,620
Infrastructure Development-Levelling, Road etc	16,83,708	
(i)	4,16,77,40,353	11,29,90,865
Less: Other income		
Interest income on bank deposits		
Interest Receivable/Loans		
Revenue from sale of infirm power		
Miscellaneous income (net of expenses directly attributable to such income)		
(ii)		
Total - (iii) = (i) - (ii)	4,16,77,40,353	11,29,90,865
Less: Apportioned over the cost of tangible assets		
(iv)		
Total - (v) = (iii) - (iv)	4,16,77,40,353	11,29,90,865
Investment property under construction	4,16,77,40,353	11,29,90,865

Note.4

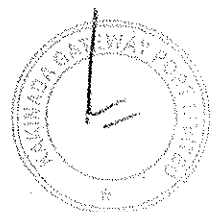
Other Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current balance		
Capital advances (Unsecured, considered good)		
Advance to others	1,94,00,00,000	1,25,00,00,000
Deposits-With Related Party	2,57,00,00,000	2,57,00,00,000
Deposits-Others	10,000	-
Total	4,51,00,10,000	3,82,00,00,000
Current balance		
Advance to suppliers	1,73,00,44,243	1,73,00,44,243
Balance with Statutory /Government authorities	4,26,81,724	2,94,27,723
Others		
Total	1,77,27,25,967	1,75,94,71,966
Total	6,28,27,35,967	5,57,94,71,966

Note.5

Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand		
Balances with banks - in current accounts	37,26,233	4,02,84,817
Total	37,26,233	4,02,84,817



KAKINADA GATEWAY PORT LIMITED

Notes to the financial statements as at March 31, 2020

Note 6
Share capital

Particulars	IndAs		IndAs
	March 31, 2020		March 31, 2019
Authorised share capital	Number	Rs. (Ind AS)	Rs. (Ind AS)
At 1 April 2018	10,000	1,00,000	1,00,000
Increase/(decrease) during the year	-	-	-
At 31 March 2019	10,000	1,00,000	1,00,000
Increase/(decrease) during the year	-	-	-
At 31 March 2020	10,000	1,00,000	1,00,000
Issued equity capital			
At 1 April 2018	10,000	1,00,000	1,00,000
Increase/(decrease) during the year	-	-	-
At 31 March 2019	10,000	1,00,000	1,00,000
Add: Issued during the year	-	-	-
At 31 March 2020	10,000	1,00,000	1,00,000

a) Terms and rights attached with the Shares: The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates:

Particulars	March 31, 2020		March 31, 2019
	Number	Rs. (Ind AS)	Rs. (Ind AS)
10,000 Equity Shares of Rs. 10 each - Kakina SEZ Ltd, the immediate holding company together with its nominees	10,000	1,00,000	1,00,000
Total	10,000	1,00,000	1,00,000

c) Details of shareholders holding more than 5% shares in the company:

Particulars	March 31, 2020		March 31, 2019
	Number	Rs. (Ind AS)	Rs. (Ind AS)
Kakina SEZ Limited	9,994	99,940	99,940
Total	9,994	99,940	99,940

Note 7
Other Equity

Particulars	March 31, 2020		March 31, 2019
	Ind AS		Ind AS
Surplus in the statement of profit and loss			
Opening	(73,937.50)		(38,928)
During the period	(51,259.49)		(35,010)
Total	(1,25,196.99)		(73,938)
Equity contribution from parents - Related party loan			
Opening	1,54,00,37,879.00		
During the period	22,98,56,654.50		1,54,00,37,879
Total	1,76,98,94,533.50		1,54,00,37,879
Total	1,76,97,69,336.51		1,53,99,63,942

For M/s S.Venkatadri & Co

Chartered Accountants

Firm Reg. No. 004614S

K.Srinivas Rao

Partner

Membership No: 201470

Place: Hyderabad

Date: 29th May, 2020

For and on behalf of the Board of Directors

BHA. Ramaraju

Director

DIN No. 08157813

Nagarjuna Tadory

Director

DIN: 06796211

Place: Kakinada

Date: 29th May, 2020

Note.8

Borrowings

Particulars	Amt in Rs.	
	As at March 31, 2020	As at March 31, 2019
Term loans		
Indian rupee term loan from banks (secured)	4,21,49,69,265	4,00,54,91,663
Loans from related parties		
Loan from a group company (unsecured)	20,09,16,826	14,57,63,288
Total	4,41,58,86,090	4,15,12,54,951

(1) Company has availed credit facilities of Rs. 500 Cr from Yes Bank Limited (Secured) in January 2019 out of which 436 Cr is fund based and 64 Cr is non fund based for 18 years term. The same is secured by First pari passu charge over: First pari passu charge over (a) Project land of 1945.22 acres ;(b) 99.94% shares of KCPIL ;(c) 42.55% shares of KSL ;(d)entire moveable and immovable fixed assets, current assets and intangible assets both present and future including those of project ;(e) all licences, permits, approvals, consents and insurances in respect of the project ;(f) First pari passu charge on all the receivables/revenues/cash flows of the company

(2) Company has received 167 Cr interest free unsecured loan from GMR SEZ & Portholdings Limited (holding company's Holding company) for 18 years term. Also company has received loan of Rs. 26.03 Cr (18 yrs) @30% interest from its holding company Kakinada SEZ Limited and Rs.1.43 Cr (3 years) @12.25% interest from Kakinada Refineries and Petro Chemicals Pvt Ltd

Note.9

Trade Payables-Others

Particulars	Amt in Rs.	
	As at March 31, 2020	As at March 31, 2019
	IndAs	IndAs
Provision for Expense	16,91,46,410	20,000
Due to Related parties:	4,05,53,94,279	-
Total	4,22,45,42,689	20,000

Note.10

Other financial Liabilities

Particulars	Amt in Rs.	
	As at March 31, 2020	As at March 31, 2019
	IndAs	IndAs
Sundry Creditors - Others	18,000	9,29,800
Interest accrued and due on Inter corporate loans and deposits	16,90,842	1,59,485
Trade Payable (Interest accrued on RTI, Loans from Banks)	4,20,23,444	4,02,16,750
Total	4,37,32,287	4,13,06,035

Note.11

Other current Liabilities

Particulars	Amt in Rs.	
	As at March 31, 2020	As at March 31, 2019
	IndAs	IndAs
TDS Payable	1,72,151	1,02,721
Total	1,72,151	1,02,721



Note.12

Other Expenses

Particulars	As at March 31, 2020	As at March 31, 2019
Expenses		
Remuneration to auditor	20,000	20,000
Rates & Taxes	6,100	4,400
Legal and professional fees	22,562	10,610
Printing & stationary	370	-
Bank charges	14	-
Miscellaneous expenses	1,500	-
Total	50,546	35,010

Note :

As auditor

Audit Fee	20,000	20,000
Total	20,000	20,000

Note.13

Finance Cost

Particulars	As at March 31, 2020	As at March 31, 2019
Finance Cost	IndAs	IndAs
Interest & Finance Charges	713	-
Total	713	-

Note.14

Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders (after adjusting for interest on the convertible securities) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:	As at March 31, 2020	As at March 31, 2019
Face value of equity shares (rs. per share)	10	10
Profit/(loss) attributable to equity shareholders	(51,259)	(55,010)
Weighted average numbers of equity shares used for computing earning per share (basic and diluted)	10,000	10,000
EPS- Basic and diluted	(5.13)	(5.50)

For M/s S.Venkatadri & Co

Chartered Accountants

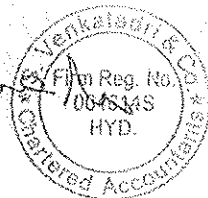
Firm Reg. No. 004614S

K. Srinivas Rao
Partner

Membership No: 201470

Place: Hyderabad

Date: 29th May, 2020



For and on behalf of the Board of Directors

BHA. Ramaraju
Director

DIN No. 08137813

Place: Kakinada

Date: 29th May, 2020

Nagarjuna Taduri
Director
DIN: 0676211



Note : 15

Related Party Transactions

Name of the Company	Nature of Relationship
Kakinada SEZ Ltd	Holding Company
GMR SEZ & Port Holdings Limited	Intermediate Holding Company
GMR Infrastructure Limited	Intermediate Holding Company
Kakinada Refinery & Petro chemicals Pvt Ltd	Fellow Subsidiary Company

Nature of Transaction	As at March 31, 2020	As at March 31, 2019
Share Capital		
Kakinada SEZ Limited	1,00,000	1,00,000
Loans Taken		
GMR SEZ Port Holdings Limited	15,41,93,971	12,99,62,121
Kakinada Refinery & Petro chemicals Pvt Ltd	1,54,50,000	1,20,00,000
Kakinada SEZ Limited	3,12,72,855	-
Equity component of loan		
GMR SEZ Port Holdings Limited	1,54,00,37,879	1,54,00,37,879
Kakinada SEZ Limited	22,98,56,655	-
Sundry creditors		
Kakinada Refinery & Petro chemicals Pvt Ltd	16,90,842	1,50,485
Kakinada SEZ Limited	4,05,53,94,279.00	-
Interest accrued but not due on loans		
Kakinada Refinery & Petro chemicals Pvt Ltd	-	-
Advance given		
GMR Infrastructure Limited	2,98,00,44,243	2,98,00,44,243
Security deposits given		
GMR Infrastructure Limited	2,57,00,00,000	2,57,00,00,000

Transactions with Group Companies absorbed into Investment Property Under Development

Counter Party Group Company	Nature of transaction	As at March 31, 2020	As at March 31, 2019
Kakinada Refinery & Petro chemicals Pvt Ltd	Interest on Loan	17,01,508	1,77,205
Total		17,01,508	1,77,205

For M/s S.Venkatadri & Co

Chartered Accountants

Firm Reg. No. 004614S

Firm Reg. No. 004614S

HYD.

K. Srinivas Rao

Partner

Membership No: 201470

Place: Hyderabad

Date: 29th May, 2020

For and on behalf of the Board of Directors

BHA. Ramaraju

Director

DIN No. 08137813

Place: Kakinada

Date: 29th May, 2020

Nagarjuna Taduri

Director

DIN: 06796211



Note : 16

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus debt. The Company includes within debt all the borrowings.

	At March 31, 2020	At March 31, 2019
Borrowings	-	-
Total debt	-	-
Capital Components		
share Capital	1,00,000	1,00,000
Other equity	1,76,97,69,337	1,53,99,63,942
Total Capital	1,76,98,69,337	1,54,00,63,942
Capital and net debt	1,76,98,69,337	1,54,00,63,942
Gearing ratio (%)	0%	0%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020

For M/s S.Venkatadri & Co

Chartered Accountants

Firm Reg. No. 004614S

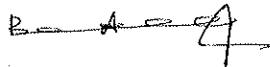

K. Srinivas Rao
Partner

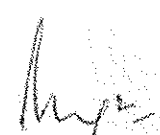
Membership No: 201470

Place: Hyderabad

Date: 29th May, 2020

For and on behalf of the Board of Directors


BHA. Ramaraju
Director
DIN No. 08137813


Nagarjuna Tadury
Director
DIN: 06796211

Place: Kakinada

Date: 29th May, 2020



KAKINADA GATEWAY PORT LIMITED

17 Commitments and Contingencies

I. Leases

Operating lease: Company as lessee

The company has not entered into any lease agreements as on date hence no commitment is foreseen

	Amt in Rs.	
	31-Mar-20	31-Mar-19
Lease rental charged to CWIP		
Lease rentals under cancellable leases and non-cancellable leases		

Future minimum rentals payable under non-cancellable operating leases are as follows:

Amt in Rs.

	31-Mar-20	31-Mar-19
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total	-	-

II. Contingent Liabilities

Claims made against the company not acknowledged as debts - NIL

III. Commitments

Amt in Rs.

	31-Mar-20	31-Mar-19
a. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	15,40,91,66,274	15,40,91,66,274

- 18 Kakinada Gateway Port Limited has executed a concession agreement with Director of Ports, Government of Andhra Pradesh on 21.11.2018 for setting up of Port and the Company is in the process of acquiring Land from Government of Andhra Pradesh/APIIC. Extent of land to be handed over to the company through this process is 1879.51 Acres, of which agreement of sale is already entered with APIIC for 1563.22 Acres on 3rd Nov'2015 and registered by holding company Kakinada SEZ Limited which will be transferred in the name of KGPL.

- 19 Sundry Creditors includes Rs NIL (Previous Year Rs. NIL) pertaining to Small Scale Industrial Undertakings (SSI) to the extent such parties have been identified from the available information/documents. There are no SSI units to whom the company owes a sum exceeding Rs 1.00 Lakhs and outstanding for more than 30 days (but not over due) as at 31st March 2020.

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

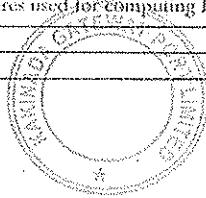
- 20 The following is the computation of Earnings Per Share (EPS):

Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders (after adjusting for interest on the convertible securities) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	Amt in Rs.	
Particulars	31-Mar-20	31-Mar-19
Profit/(Loss) attributable to equity holders	(51,259)	(35,010)
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	10,000	10,000
Earning Per Share (Basic) (Rs)	(5.13)	(3.50)
Face value per share (Rs)	10	10



Note.21

Gratuity and other post-employment benefit plans

There are no Employees in this company hence not applicable

Note.22

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Particulars	At 31 March 2020	At 31 March 2019
Borrowings	4,41,58,86,090	4,15,12,54,951
Total debt	4,41,58,86,090	4,15,12,54,951
Capital Components		
Share Capital	1,00,000	1,00,000
Other equity	1,76,97,69,337	1,53,99,63,942
Total Capital	1,76,98,69,337	1,54,00,63,942
Capital and net debt	6,18,57,55,427	5,69,13,18,892
Gearing ratio (%)	71%	73%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.



Note.23

Notes to the financial statements as at March 31, 2020

Financial risk management objectives and policies

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

(a) Market risk- 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 with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

(b) Market risk- Foreign currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 628,64,62,201/- and Rs.561,97,56,783/- as at March 31, 2020 and March 31, 2019 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments and other financial assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral as security.

With respect to trade receivables / unbilled revenue, the Company has constituted the terms to review the receivables on a periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through convertible debentures, non-convertible debentures, bonds and other debt instruments. The Group invests its surplus funds in bank fixed deposit and in mutual funds, which carries no or low market risk. The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, sale of assets and strategic partnership with investors etc.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Group's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

(Rs. in crore)				
Particulars	0-1 year	1 to 5 years	> 5 years	Total
March 31, 2020				
Borrowings (other than convertible preference shares)	-	10,26,50,000	6,20,34,28,713	6,30,60,78,713
Other financial liabilities	50,30,93,842	2,00,28,56,960	3,64,98,62,312	6,15,58,10,114
Trade payables	4,22,45,42,689	-	-	4,22,45,42,689



Total	4,72,76,33,531	2,10,55,06,960	9,85,32,91,025	16,68,64,31,516
Borrowings (other than convertible preference shares)				
Related Party- Entity wise	-	1,54,50,000	1,93,06,28,713	1,94,60,78,713
GMR SEZ & Port Holdings Limited			1,67,00,00,000	1,67,00,00,000
Kakinada Refinery & Petrochemicals Private Limited		1,54,50,000		1,54,50,000
Kakinada SEZ Limited			26,06,28,713	26,06,28,713
Others (from Banks, financial institution and others)	-	8,72,00,000	4,27,28,00,000	4,36,00,00,000
Total	-	10,26,50,000	6,20,34,28,713	6,30,60,78,713

Other financial liabilities				
Related Party- Entity wise	16,90,842	42,07,875	-	58,98,717
Kakinada Refinery & Petrochemicals Private Limited	16,90,842	42,07,875		58,98,717
Others	50,14,00,000	1,99,86,49,085	3,64,98,62,312	6,14,99,11,397
Total	50,30,90,842	2,00,28,56,960	3,64,98,62,312	6,15,58,10,114

Trade payables				
Related Party- Entity wise	4,05,53,94,279	-	-	4,05,53,94,279
Others	16,91,48,410	-	-	16,91,48,410
Total	4,22,45,42,689	-	-	4,22,45,42,689



Note No.24
Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments

(a) Financial assets and liabilities

As at March 31, 2020

Particulars	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Cash and cash equivalents	-	-	37,26,233	37,26,233	37,26,233
(ii) Trade Receivables	-	-	-	-	-
(iii) Loans	-	-	-	-	-
(iv) Other financial assets	-	-	6,28,27,35,967	6,28,27,35,967	6,28,27,35,967
Total	-	-	6,28,64,62,201	6,28,64,62,201	6,28,64,62,201
Financial liabilities					
(i) Borrowings	-	-	4,41,58,86,090	4,41,58,86,090	4,41,58,86,090
(ii) Trade payables	-	-	4,22,45,42,689	4,22,45,42,689	4,22,45,42,689
(iii) Other financial liabilities	-	-	4,39,04,437	4,39,04,437	4,39,04,437
Total	-	-	8,68,43,33,216	8,68,43,33,216	8,68,43,33,216

As at March 31, 2019

(Rs. in crore)					
Particulars	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Cash and cash equivalents	-	-	4,02,84,817	4,02,84,817	4,02,84,817
(ii) Trade Receivables	-	-	-	-	-
(iii) Loans	-	-	-	-	-
(iv) Other financial assets	-	-	5,57,94,71,966	5,57,94,71,966	5,57,94,71,966
Total	-	-	5,61,97,56,783	5,61,97,56,783	5,61,97,56,783
Financial liabilities					
(i) Borrowings	-	-	4,15,12,54,951	4,15,12,54,951	4,15,12,54,951
(ii) Trade payables	-	-	20,000	20,000	20,000
(iii) Other financial liabilities	-	-	4,14,08,756	4,14,08,756	4,14,08,756
Total	-	-	4,19,26,83,707	4,19,26,83,707	4,19,26,83,707



1 Significant accounting judgements, estimates and assumptions

(i) ESTIMATES AND ASSUMPTIONS

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 adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

(ii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed.

(iii) 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.

(iv) 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.

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.

The company does not have any employees and hence the above does not apply.

(v) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

(vi) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements 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.

(vii) The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

For M/s S.Venkatadri & Co.
Chartered Accountants
Firm Reg. No. 004614S

K.Srinivas Rao
Partner
Membership No: 201470

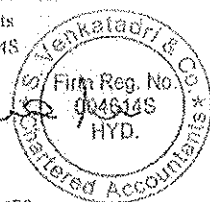
Place: Hyderabad
Date: 29th May, 2020

For and on behalf of the Board of Directors

BHA. Ramaraju
Director
DIN No. 08137813

Nagarajana Taduri
Director
DIN: 06796211

Place: Kalinada
Date: 29th May, 2020



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2486 *Environ Biol Fish* (2015) 98:2481–2487

C. K. Rameshwar & J. Prasad contributed to the design of the study, data collection, data analysis, and manuscript preparation.

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Silverbrook & Co. # Silverbrook & Co.

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10256200 : N/A

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Associated Party Transaction Details
 For the period ended March 31, 2020
 Balance Sheet
 Subsidiary Company Name Limited
 Company Code 13329

6. Receipts for the investment of funds received by the company

Sl No	Bank Code	IC Code	Company Name	Transaction Description	GL Code	Main Head	Sub Head	SLNO Amount	Ind AS Adjustment Amount	Total (SLNO + Ind AS Adjustments)	To, In
1	001	1 81500	CSMP Infratech Limited	Security Deposit				7510000000		2,51,00,00,00,00	
2	001	1 81500	CSMP Infratech Limited	Advance to Suppliers/Credit Advances			Other receivables from current				
3	001	1 81500	CSMP Infratech Limited	Advance to Suppliers/Credit Advances			Other receivables from current	12,50,00,00,00,00		1,25,00,00,00,00,00	
				Advance to Suppliers/Credit Advances			Other receivables	2,72,00,00,00,00,00		1,23,00,00,00,00,00	

On 20th July 1964, the following were received:

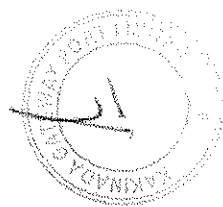
S/No	Short Code	Company name	Transaction Description	GL Code	Short Head	Sub Head	IGDAP Amount	Ind As adjustment amount	In Rs. Total (IGDAP + Ind AS Adjustments)
1	09001	Zealonda Delivery & Franchisee Pvt.Ltd	Interest on credit company loan		Other financial liabilities	Interest accrued on inter corporate loans and deposits	10000042		16,90,842.00
2	001	Zealonda SZL Limited	Trade payable- Group company		Current	Trade payables- Current- Due from related parties	4005094372		4,00,53,84,79.00

1. *What is the main purpose of the study?*

[illegible][illegible]

Sl No	Slack Code	IC Code	Company Name	Transaction Description	SL Code	Main Head	Sub Head	SL&SF Account	Every Component of referred party losses / debenture / not share (excluding DTI)	Interest Income on account of debt	Total (GROSS AND SG Adjustments)	DTA / DTA	Deferred Tax on Int. AS adjustments (DTA on interest - credit / debit)	Pr. Bl.
1	2004L	1 01021	OVER SEAS BANK HOLDINGS (United)	Loan Taken		Loan from borrowings	net of corporate loans and deposits	1.53,00,00,000.00	(1,53,00,00,000.00)		15,42,92,971.20			
2	BSL	01020	Goldman Sachs Bank	Loan Taken		Loan from borrowings	net of corporate loans and deposits	28,06,28,253.00	(28,06,28,253.00)		3,22,27,206.40			
3	UBSL	01014	United Bankers Limited	Loan Taken		Loan from borrowings	net of corporate loans and deposits	1,54,90,000.00			55,50,000.00			

Abstract

[illegible]

F. Share Capital, Other Equity (SCAP) / Equity Component of Total Distribution (Preference Share)

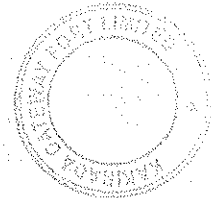
Sl No	Short Code	IC Code	Company Name	Transaction Description	GL Code	Main Head	Sub Head	ICAP Amount	Equity Component of related party loans / debentures / preference shares	DTL/DTL (DTL on equity component)	Deferred Tax on Ind AS Adjustments	Total (SCAP + DTL/DTL Adjustments)
1	STL	1.12A07	Kaladri S&P Limited	Share Capital		Share Capital	Share Capital	100000				1,00,000.00
2	STL	1.12A08	Kaladri S&P Limited	Equity component of loan		Other Equity	Other Equity		27,96,56,524.50			27,96,56,524.50
3	CSPL	1.10A11	Kaladri S&P Limited	Equity component of loan		Other Equity	Other Equity		1,54,98,37,379.00			1,54,98,37,379.00

G. Investment in other company (including equity components of loans / debentures / preference shares) (Financial assets)

Sl No	Short Code	IC Code	Company Name	Transaction Description	GL Code	Main Head	Sub Head	ICAP Amount	Investment in Equity component of preference shares / debentures / loans	Notional Interest expense accrued till date	Total (net of Ind AS Adjustments)
1											

H. Dividend

Sl No	Short Code	IC Code	Company Name	Transaction Description	GL Code	Main Head	Sub Head	ICAP Amount	Dividend Amount	Total (SCAP + Dividend Adjustments)
1										



1. Right of Use (Lease Assets)

Sl No	Asset Code	IL Code	Company Name	Transaction Description	GL Code	Main Head	Sub Head	IFAAE Amount	Ind AS adjustment Amount	Total (IFAAE + Ind AS Adjustment)	In R.
1											

For 2015 Shrikanth & Co

Chartered Accountants

Practising certificate number: 000145

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For and on behalf of the Board of Directors
Kallada Gateway port Limited

Director
Date: 05/05/15

Company Secretary

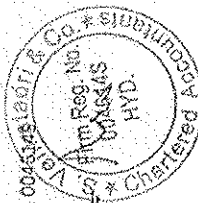


Related Party Transaction Details
For the period ended March 31, 2020
Transaction for the period
Kakinada Gateway port Limited
Company Code ES700

All the transaction during th period (loan taken/ loan given/ security deposit given/ security deposit taken/ SAM refunded/ SAM taken)

Sl No	Short Code	IC Code	Company name	Transaction Description	In Rs.
1	KRPPL	KRPPL	Kakinada Refinery & Petrochemicals Private Limited	Loan Taken	34,50,000.00
2	KSL	1. ES600	Kakinada SEZ Limited	Loan Taken	26,05,28,713.00

For M/s S.Venkatadri & Co
Chartered Accountants
Firm registration number ""No. 004314510071 & Co. s



Partner

For and on behalf of the Board of Directors
Kakinada Gateway port Limited

Nagarjuna Taduri
Director



Place : Kakinada
Date: 29-05-2020