



VIZAG GENERAL CARGO BERTH PRIVATE LIMITED

12TH ANNUAL REPORT

2021-2022

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED

Board of Directors of the Company	
Mr. Prasun Kumar Mukherjee	Non-Executive Independent Director
Mr. Vijay Chhibber	Non-Executive Independent Director
Mr. Chikkala Sateesh Kumar	Whole-time Director (WTD) and Chief Executive Officer
Mr. Sauvick Mazumder	Non-Executive Director
KMP of the Company	
Mr. Kamalakanta Sahoo	Company Secretary
Mr. Vinay Chaurasia	Chief Financial Officer

Audit Committee

Mr. Prasun Kumar Mukherjee-Chairman
Mr. Vijay Chhibber-Member
Mr. Chikkala Sateesh Kumar-Member

Nomination and Remuneration Committee

Mr. Vijay Chhibber-Chairman
Mr. Prasun Kumar Mukherjee-Member
Mr. Sauvick Mazumder-Member

Bankers

AXIS Bank Limited
Yes Bank Limited
ICICI Bank Limited

Statutory Auditors

S.R. Batliboi & Co. LLP,
Registration No. 301003E/E300005
Chartered Accountants

Registrar & Transfer Agents

KFin Technologies Private Limited
7th Floor, 701, Hallmark Business Plaza,
Sant Dnyaneshwar Marg, Off Bandra Kurla
Complex, Bandra (East) Mumbai - 400051

BOARD'S REPORT

To
The Members,
Vizag General Cargo Berth Private Limited

The Board of Directors presents the 12th Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2022.

1. Financial Results

The summarized standalone results of your Company are provided below: -

Rs. In Crores

Particulars	2021-2022	2020-2021
Revenue from operation	161.69	108.33
Profit from operation before other Income, Finance Cost and exceptional Item	17.75	(11.39)
Other Income	2.67	3.52
Finance Cost	44.74	38.52
Exceptional Item		0
Profit & Loss before tax	(24.27)	(23.61)
Tax Expense /(Credit)	(0.96)	(15.03)
Net profit/(Loss) after tax	(23.31)	(8.58)
Reserves excluding revaluation reserves as on balance sheet date	(58.64)	(35.52)

2. Dividend

Your Directors do not recommend any dividend for the year under review.

3. Transfer to Reserves

No amounts have been transferred to the Reserves during the year under review.

4. Review of Business Operations and Future Prospects - Management Discussion and Analysis

Overview of India Power Sector

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

Market Size:

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

Total installed capacity of power stations in India stood at 396.61 Gigawatt (GW) as of Feb 2022 compared to 379.13 (GW) in Feb 2021.

Coal-based power generation capacity in India, which currently stands at 211.809 GW

as on Feb 2022 compared to 201.085 GW in Feb 2021. The coal based power generation capacity is expected to reach 330-441 GW by 2040.

Coal India – Domestic Market overview:

Production:

Coal India and its subsidiaries produced 623 million Ton s of coal in FY 22 compared to 596 million Ton s in FY 21. The domestic production is increased after the pandemic due to power crisis in mid of financial year. The production in Mar 2022 is 80.3 million Ton s compared to 81.20 million Ton s in Mar 2021. After the Covid-19, Power & Steel sector increased their production drastically and CIL produced 623 million Ton s against their business plan of 660 million Ton s.

Coal Off takes:

Coal India and its subsidiaries dispatched 662 million Ton s of coal in FY 22 compared to 574 million Ton s in FY21.

Coal Imports in India:

Total coal imports in India has been ~180 million tons in FY22 compared to 192 million tons in FY 21. The break-up of coking coal and non-coking coal is tabulated below:

Description	FY 22	FY 21
Coking coal	51.5 MT	49.83 MT
Non-Coking coal	127.88 MT	142.02 MT
Total	179.38 MT	191.85MT

The coking coal imports increased by 3.3 % and non-coking coal import decreased by 9.9 %.

Coal Stocks: The coal demand in India has increased due to low level of stocks at Power sectors while steel producers have increased the production. The coal stocks at coal India by end of FY22 has been ~61 million Ton s.

India is expected to become the largest

coking coal importer through sea route by 2024 as the country pushes for more steel production. The demand for coking coal is projected to grow to 67 million Ton s from about 50 million Tons now.

Import Substitution:

CIL has allowed its subsidiaries to sign memorandum of understanding with 17 power plants linked to them to substitute their imports with its own coal.

Business Overview:

The Company was incorporated on April 20, 2010, pursuant to the Letter of Award by Vishakhapatnam Port Trust (VPT) a major port, for the purpose of Mechanizing and Modernizing the General Cargo Berth at the outer Harbor of Vishakhapatnam Port. The Company entered into Concession Agreement with Vishakhapatnam Port Trust on June 10, 2010 for strengthening of Berth for 200,000 DWT capacity vessels and mechanization of complete Coal based Cargo handling facilities for General Cargo Berth (GCB) at Vizag Port, Visakhapatnam. The Company has been awarded Concession effective from October 08, 2010 for a period of 30 years.

In FY22, company has handled volumes of 6.48 million Ton s compared to 4.36 million tons in FY21. The volume increase has been 49% on Y-o-Y basis while coal imports to India has decreased by 6 % on Y-o-Y basis.

Business outlook of FY23:

India is the second largest producer and consumer of steel and easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up. The steel industry growth is expected to give impetus to imports by steel producers in the hinterland of Visakhapatnam. Further SAIL – Bhilai unit, JSPL, BPSL etc. are increasing their production capacities and with the

incremental production the coking coal imports is expected to increase progressively.

The overall coal imports to Visakhapatnam region in FY23 is expected to be between 27 – 29 million tons and VGCB has planned to handle 8 million tons which includes 1 million Ton of compatible bulk cargo in FY23.

5. Material changes and commitments, if any, affecting the financial position of the Company

No other material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of this report.

6. Significant and Material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company’s operations in future

There were no significant material orders passed by the Regulators / Courts /Tribunals which would impact the going concern status of the Company and its future operations.

7. Safety

The safety performance for the Financial Year 2021–2022 is as under:

	2021-22
FSI	54.46
LTIFR	1.09

F S I - Frequency severity incidence
 LTIFR - Lost Time Injury Frequency Rate

8. Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Auditors monitors and evaluates the

efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

9. Highlights of performance of Subsidiary Companies, Joint Venture or Associate Company and their contribution to the overall performance of the company

The Company has neither any subsidiary, Joint Venture, nor any Associate Company. During the year, neither any company become nor ceased to be subsidiary, joint venture, or associate company.

10. Deposits

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

11. Auditors

Statutory Auditors

The Company’s Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, were appointed by the shareholders at the Annual General Meeting held on August 04, 2021, for further period of 5 consecutive years upto the conclusion of Nineteenth Annual General Meeting to be held in the year 2026.

The report of the Statutory Auditors along with Notes to Schedules are enclosed to this Report. The observations made in the Auditors’ Report are self-explanatory and therefore do not call for any further comments.

During the year under review, the Auditors have not reported any fraud under Section 143 (12) of the Companies Act, 2013 therefore no detail is required to be disclosed pursuant to Section 134(3)(ca) of the Companies Act, 2013.

Cost Auditors

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

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, as amended from time to time, the cost audit records in respect of its activity carried out by the Company are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Uppalapathi & Associates LLP, as the Cost Auditors of the Company to audit the cost accounts of the Company for the financial year ended March 31, 2022 at a remuneration of Rs. 80,000/-.

In accordance with the provisions of the Companies Act, 2013, the appointment and remuneration of the Cost Auditors was approved by the Members of the Company at the Annual General Meeting of the Company held on August 04, 2021.

Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Board of Directors at their meeting held on July 16, 2021 appointed KPMG Assurance and Consulting Services LLP as Internal Auditors for the Financial Year 2021-22.

Secretarial Auditor

The provisions of Section 204 of the Companies Act, 2013 are not applicable on your Company and hence the Company has not appointed any Secretarial Auditors for Financial year 2021-2022.

12. Share Capital

The authorised and paid up Equity Share Capital as on 31st March, 2022 was Rs. 50,00,00,000/- (Rupees Fifty crores only) divided into 5,00,00,000 (Five crore) Equity shares of Rs 10/- each and Rs. 47,10,80,000/- (Rupees Forty Seven Crores Ten Lakhs and Eighty Thousand only) divided into 4,71,08,000 (Four Crores Seventy One Lakhs and Eight Thousand) Equity Shares of Rs. 10/- each.

Further, the Company has not issued any shares with differential voting rights, granted stock options, sweat equity, bonus shares.

As on 31st March, 2022, Mr. Sauvick Mazumder, Director of the Company held one equity share as a nominee of Vedanta Limited, holding company.

None of the other Directors of the Company hold any equity shares or convertible instruments of the Company.

13. Web Address for Annual Return and Extract of Annual Return

The copy of Annual Return as required under Section 92(3) and Section 134(3)(a) of the Act has been placed on the website of the Company.

The web-link is as under:

<https://www.vgcb.co.in/>

14. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as *Annexure A*.

15. Directors & Key Managerial Personnel

The Board of Directors & Key Managerial Personnel (KMP) of the Company as on 31st March, 2022 comprised of the following:

- a) Mr. Prasun Kumar Mukherjee – Independent Director
- b) Mr. Vijay Chhibber- Independent Director
- c) Mr. Sauvick Mazumder–Non-Executive Director
- d) Mr. Chikkala Sateesh Kumar –Whole-time Director (WTD) & Deputy Chief Executive Officer
- e) Mr. Vinay Chaurasia– Chief Financial Officer (KMP)
- f) Mr. Kamalakanta Sahoo - Company Secretary (KMP)

*The Board of Directors at their Meeting held on 18th April, 2022 on recommendation of the Nomination and Remuneration Committee, approved change of designation of Mr. C Sateesh Kumar from Whole-time Director and Deputy Chief Executive Officer to Whole-time Director and Chief Executive Officer.

Mr. Sauvick Mazumder, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

During the year under review, shareholders appointed at the Annual General Meeting held on August 04, 2021, Mr. Sauvick Mazumder as Non-Executive Director of the Company liable to retire by rotation.

At the Annual General Meeting held on August 04, 2021, Mr. Chikkala Sateesh Kumar was appointed by the shareholders as Whole-time Director of the Company for a period of 2 years i.e. upto September 30, 2022.

The Board of Directors at their meeting held on July 16, 2021 appointed Mr. Kamala Kanta

Sahoo as the Company Secretary (Key Managerial Personnel) of the Company w.e.f. 1st August, 2021.

No other Directors or KMPs except mentioned above were appointed/ resigned from the company during the FY 2021-22.

16. Independent Directors Declaration

The Company has received the necessary declaration from each of the Independent Directors in accordance with Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013.

17. Disclosure of Composition of Audit Committee and Providing Vigil Mechanism

The Audit Committee consists of the following members:

- a) Mr. Prasun Kumar Mukherjee - Chairman
- b) Mr. Vijay Chhibber - Member
- c) Mr. Chikkala Sateesh Kumar- Member

The above composition of the Audit Committee is in accordance with the provisions of the Companies Act, 2013 and consists of Independent Directors *viz.*, Mr. Prasun Kumar Mukherjee and Mr. Vijay Chhibber who form the majority.

Your Company has established a robust vigil mechanism for reporting of genuine concerns through the Whistle Blower Policy of the Group. As per the whistleblower policy adopted by various businesses in the group, all complaints are reported to Group Head – Management Assurance who is independent of operating management and businesses. In line with global practices, dedicated email IDs and centralized database have been created to facilitate receipt of complaints. All employees and stakeholders can register their integrity related concerns either by calling on a toll free number or by writing on

the web based portal that is managed by a third party. After the investigation, established cases are brought to Group Ethics Committee for decision making. All cases reported as part of whistle blower mechanism are taken to their logical conclusion within a reasonable timeframe.

As part of the Code of Conduct, the Company has a Whistle blower Policy, where any instance of non-adherence to the Policy or any observed unethical behavior is to be brought to the attention of the Head of Management Assurance Services/Audit Committee Chairman. During the year under review, there were no reports under the mechanism.

18. Disclosure of Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following members:

- a) Mr. Vijay Chhibber - Chairman
- b) Mr. Prasun Kumar Mukherjee - Member
- c) Mr. Sauvick Mazumder- Member

The above composition of the Nomination and Remuneration Committee is in accordance with the provisions of the Companies Act, 2013 and consists of Independent Directors viz., Mr. Vijay Chhibber and Mr. Prasun Kumar Mukherjee who form the majority.

19. Corporate Social Responsibility (CSR) Committee

The provisions of Section 135 of the Companies Act, 2013 are not applicable on the Company and therefore the Company has not constituted a Corporate Social Responsibility Committee.

20. Meetings & Attendance during the Year

During the year under review four meetings of the Board of Directors were held, details of which are as under:

Date of Board Meetings held during FY 2021-22	
1.	April 16, 2021
2.	July 16, 2021
3.	October 19, 2021
4.	January 18, 2022

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Attendance

Names of the Director	No. of meetings during the year 2021-22	
	Held	Attended
Mr. Chikkala Sateesh Kumar	4	4
Mr. Prasun Kumar Mukherjee	4	4
Mr. Sauvick Mazumder	4	3
Mr. Vijay Chhibber	4	4

During the year under review four meetings of the Audit Committee were held, details of which are as under:

Date of Audit Committee Meetings held during FY 2021-22	
1.	April 16, 2021
2.	July 16, 2021
3.	October 19, 2021
4.	January 18, 2022

Attendance

Names of the Director	No. of meetings during the year 2021-22	
	Held	Attended
Prasun Kumar Mukherjee	4	4
Mr. Vijay Chhibber	4	4
Mr. Chikkala Sateesh	4	4

Kumar		
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During the year under review, one meeting of the Nomination and Remuneration Committee was held, details of which are as under:

Date of Nomination and Remuneration Committee Meetings held during FY 2021-22	
1.	April 16, 2021

Attendance

Names of the Director	No. of meetings during the year 2021-22	
	Held	Attended
Prasun Kumar Mukherjee	1	1
Mr. Vijay Chhibber	1	1
Mr. Sauvick Mazumder	1	1

Section 149 read with Schedule IV of Companies Act, 2013 mandates that the Independent Directors of the Company shall hold at least one meeting in a year, without the presence of Non-Independent Directors and members of the management and requires all the Independent Directors to be present at such meeting. Your Company recognizes the crucial role that the Independent Directors play in ensuring an efficient and transparent work environment, hence all the Independent Directors of the Company met once during the FY 2021-22 without the presence of any of Non-Independent Directors and/or any of the members of the management on October 19, 2021.

21. Formal Annual Evaluation

The effectiveness of the Board is crucial to the overall success of the Company and the Company undertakes a formal assessment of the operation of the Board, Board Committees and individual Directors annually. The evaluation is an important part

of the Board's corporate governance framework. The Companies Act, 2013 (Act) has mandated the need to ensure effectiveness of the Board governance and requires a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

Structured questionnaires/ performance evaluation forms were prepared taking into consideration inputs received from the Directors for evaluation of the Board effectiveness which were broadly based on the parameters like Strategic and Operational Oversight, the Dynamics, Composition, Level of Expertise, Terms of Reference, Board support and processes, Governance etc. The Board evaluated the effectiveness of its functioning and that of the Committees and of Chief Executive Officer and of individual directors by seeking their inputs on various aspects of Board/Committee Governance.

The Board considered and discussed the inputs received from the Directors.

Further, the Independent Directors at their meeting, reviewed the performance of Board, and of other Non- Executive Directors.

22. Company's Policy Relating to Directors Appointment, Payment of Remuneration and Discharge of their Duties

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is derived from its Nomination and Remuneration Policy, brief extracts of which are as under:

- a. Assist the Board in identifying persons who are qualified to become directors and who may be appointed in senior management.
- b. Formulate the criteria and to carry out evaluation of every director's performance, including Independent Directors and Board as a whole.
- c. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- d. Formulate and recommend to the Board a policy, relating to the remuneration.
- e. Devising a policy on Board diversity.

23. Details relating to Remuneration of Directors/KMP's /Employees

Mr. Chikkala Sateesh Kumar, WTD & Deputy Chief Executive Officer drew remuneration upto Rs. 77,14,209/- (Rupees Seventy Seven Lakhs Fourteen Thousand Two hundred and Nine Only) per annum subject to approval of shareholders and Mr. Vinay Chaurasia, Chief Financial Officer drew remuneration upto Rs. 5197732 (Rupees Fifty One Thousand Ninety Seven Thousand Seven Hundred and Thirty Two only) per annum.

Below are the details of the sitting fees being paid to the Independent Directors of the Company:

Sl. No.	Name of the meeting	Sitting fees in Rs. (per meeting)
1.	Board Meeting	50,000
2.	Audit Committee Meeting	25,000
3.	Nomination and Remuneration Committee Meeting	10,000

The statement of Disclosure of Remuneration under Section 197 of the

Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), is appended as **Annexure B** to the Report.

There are no employees drawing remuneration exceeding the limits as provided under Section 197 of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

None of the above employees is a relative of any of the Directors of the Company.

In terms of Section 197 (14) of the Companies Act, 2013, any director who is in receipt of any commission from the company and who is a managing or whole-time director of the company shall not be disqualified from receiving any remuneration or commission from any holding company or subsidiary company of such company subject to its disclosure by the company in the Board's report. Your Company has only one whole-time director and he has not received any remuneration or commission from the holding company during the year.

In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

24. Particulars of Loans, Guarantees or Investments under Section 186

There were no loans, guarantees granted or investments made by the Company under Section 186 of the Companies Act, 2013 during the financial year under review and hence the said provision is not applicable.

25. Particulars of Contracts or Arrangements with Related Parties

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Board for approval.

The Particulars of Related Party Transactions entered into by the Company during the year have been provided in Form AOC-2 enclosed herewith **Annexure C**.

26. Risk Management Policy

All the risks associated with the business are identified and allocated to respective designated owners to manage/control the risks and keep risk exposures within the acceptable limits.

Our risk management framework is designed to be a simple, consistent and clear for managing and reporting risks. Risk management is embedded in our critical business activities, functions and processes. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

Risk Management policy is designed/evaluated by Board of Directors through Audit Committee and policy is in alignment with the Vedanta Group's Risk Management Policy.

27. Shares

a. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

b. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees.

28. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-2022:

- No of complaints received: Nil
- No of complaints disposed off: Nil

29. Compliance as per Secretarial Standards

The Company has complied with the requirements of the applicable Secretarial Standards *i.e.* Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2).

30. Director's Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

31. Acknowledgements

The Directors would like to thank the employees and employee unions, shareholders, customers, suppliers, bankers, regulatory authorities and all the other business associates of the Company for their confidence and support to its Management. They would also like to thank the Central and State Governments for their support Vizag General Cargo Berth Private Limited recognizes and appreciates the cooperation and support from its holding company Vedanta Limited.

For and on behalf of the Board of Directors

Sd/-
Chikkala Sateesh Kumar
Whole-time Director & Chief Executive Officer
DIN: 08879426

Sd/-
Sauvick Mazumder
Director
DIN: 07558996

Place: Panaji-Goa
Date: 18th April, 2022

ANNEXURE 'A' TO BOARD'S REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

(A) Conservation of energy-

(i) the steps taken or impact on conservation of energy: Double stacker operation from December 2021 which has resulted in the following savings:

Month	Savings in Kvah	Savings in Rs.
December 21	0.09 Kvah	Rs.3,41,890
January 22	0.11 Kvah	Rs. 3,58,560
February 22	0.16 Kvah	Rs.6,22,950
March 22	0.21 Kvah	Rs. 12,18,163

(ii) the steps taken by the company for utilising alternate sources of energy;-None

(iii) the capital investment on energy conservation equipments;-None

(B) Technology absorption :

(i) the efforts made towards technology absorption;-

- (a) Implementing Integrated truck management system
- (b) Split type scrapper installation to reduce return cargo accumulation.
- (c) Wagon tarpaulin platform installation to eliminate high risk activities.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;-

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- None

- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development – None

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. –

Details of Foreign exchange outgo:

Date	Amount in Euro
20-12-2021	12,298.20
04-03-2022	23,033.00

For and on behalf of the Board of Directors

Sd/-
Chikkala Sateesh Kumar
Whole-time Director & Chief Executive
Officer
DIN: 08879426

Sd/-
Sauvick Mazumder
Director
DIN: 07558996

Place: Panaji-Goa
Date: 18th April, 2022

ANNEXURE 'B' TO BOARD'S REPORT

Disclosure in Board's report as per provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2017

Sr. No.	Requirement	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	NIL
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any, in the financial year	
A	The percentage increase in remuneration of each director	NIL
B	The percentage increase in remuneration of CFO	NIL
C	The percentage increase in remuneration of CEO	NIL
D	The percentage increase in remuneration of CS	NIL
3	The percentage increase in the median remuneration of employees in the financial year	NIL
4	The number of permanent employees on the rolls of company	28
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	NIL
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

For and on behalf of the Board of Directors

Sd/-
Chikkala Sateesh Kumar
Whole-time Director & Chief Executive Officer
DIN: 08879426

Sd/-
Sauvick Mazumder
Director
DIN: 07558996

Place: Panaji-Goa
Date: 18th April, 2022

ANNEXURE 'C' TO BOARD'S REPORT
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

Amt in Cr.

SL. No.	Particulars	Details	Duration of the contracts/ar rangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Vedanta limited (Holding Company)	Cargo Handling services	12 mths contract	Cargo handling services (Rs. 1.75 Crs)	Landscape approved	NIL
2	ESL	Cargo Handling services	SPOT contract	Cargo handling services (Rs. 1.47 Crs)	Landscape approved	NIL
3	MVPL	Cargo	12 mths	Cargo handling	Landscape	NIL

		Handling services	contract	services (Rs. 25.19 Crs)	approved	
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For and on behalf of the Board of Directors

**Sd/-
Chikkala Sateesh Kumar
Whole-time Director & Chief Executive Officer
DIN: 08879426**

**Sd/-
Sauvick Mazumder
Director
DIN: 07558996**

Place: Panaji-Goa
Date: 18th April, 2022

ANNEXURE 'D' TO BOARD'S REPORT
NOMINATION AND REMUNERATION POLICY

VIZAG GENERAL CARGO BERTH PRIVATE IMITED
NOMINATION AND REMUNERATION POLICY

NOMINATION POLICY

1. Introduction

In line with the best practices and the governance philosophy, the Company has formed a Nomination & Remuneration Committee. The purpose of charter is to document the objectives, responsibilities, and administration of the Nominations & Remuneration Committee which are delegated to the Committee by the Board of Directors.

2. Objective

The Nomination & Remuneration Committee is to establish the principles for the selection of candidates to the Board of Directors, selects candidates for the election or re-election to the Board of Directors and prepares a proposal for the Board of Directors' decision.

3. Definitions:

a) Board means Board of Directors of the Company.

b) Committee means the Nomination & Remuneration Committee

c) Directors means Directors of the Company.

d) Independent Director means as provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013

e) Key Managerial Personnel (KMP) means:-

- Chief Executive Officer or the Managing Director or the Manager;
- Whole Time Director;
- Chief Financial Officer;
- Company Secretary; and
- Such other officer as may be prescribed

f) Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors and including Functional Heads, viz., the Executive Committee (EXCO) of the Company/

4. Membership

The membership of the Committee shall consists of at least three non-executive directors, each of whom shall be independent and at least half shall be independent. Chairman of the Committee shall be an Independent Director.

5. Responsibilities of the Committee:

The Nomination & Remuneration Committee shall:

- a) Assist the Board in identifying, interviewing and recruiting candidates including criteria for the independence evaluation of the Board of Directors;
- b) Annually evaluate and report to the Board on the performance and effectiveness of

the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of members of the organization;

- c) Review, at least once a year, the independence of the members of the Board of Directors;
- d) Obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations.
- e) Review the framework and processes for motivating and rewarding performance at all levels of the organization; the resulting compensation awards, and make appropriate proposals for Board approval. In particular, recommending all forms of compensation to be granted to Directors, senior management and other employees of the Company.
- f) Review of the Company's Share Based Employee Benefit Scheme(s), if any, including overseeing the administration of the Scheme(s), formulating the necessary terms and conditions for such Scheme(s) like quantum of options/rights to be granted, terms of vesting, grant options/rights to eligible employees, in consultation with management; and allotment shares/other securities when options/rights are exercised etc. and recommend changes as may be necessary.
- g) Regularly review and make recommendations about changes to the charter of the Nominations Committee;

6. Board Diversity:

The Committee in their nomination process and while making recommendations to the Board shall endeavour to have an optimum combination of directors from different fields/walks such as Management, Legal, Finance, Marketing, Human Resources, Bureaucracy, Public Policy etc. and adequate representation of Women directors on the Board.

7. Evaluation Criteria:

The Committee shall evaluate the balance of knowledge, skill, professional & functional expertise, industry orientation, gender, age etc. on the Board and, in the light of this evaluation, prepare and recommend to the Board, a description of the role and capabilities required for a particular appointment.

REMUNERATION POLICY

The Committee will recommend the remuneration/compensation/commission etc. to be paid to the Directors to the Board for their approval. The same shall be subject to the approval of the shareholders of the Company and the Central Government, wherever required.

Guiding Principles of the Executive compensation program are:

- Alignment with Business Strategy and Level of Responsibility & Impact: As employees progress to higher levels in the organisation, their performance has a greater direct impact on the strategic initiatives and business results.

- Fixed/ Base Salary Decisions: The Executives' fixed salary shall be competitive and based upon the industry practice and benchmarks considering the skill & knowledge, experience and job responsibilities
- Pay-for-Performance: A large portion of each Executive's total compensation is linked to the achievement of Company and individual performance goals. Such variable compensation is "at risk", and rewards performance and contributions to both short term and long-term financial performance of the Company.
 - Performance Bonus Plan: The Performance Bonus Plan rewards contribution to the achievement of the Company's annual financial, strategic and operational goals and individual KRAs. The Performance Bonus drives high performance culture to achieve the organisation's objectives by differentiating rewards based on performance. The performance will be related to the fulfilment of various targets and attainment of business objectives, both at the Company and individual level.
 - Long Term Incentives: Executives' compensation is linked to long-term stock price appreciation, and shareholder value creation through the Company's Long-term Incentives (LTI) plan. The LTI Plan balances Executives' performance orientation and decisions to deliver on the short-term business outcomes with the long-term performance of the Company, both on financial and non-financial parameters.
- Competitive in Market place: We compete for talent globally. In order to attract and retain a highly skilled workforce, we must remain competitive with the pay of other employers who compete with us for talent.

Remuneration to Non-Executive / Independent Director

a) Yearly Fee/ Commission:

The yearly fee/ commission may be paid within the monetary limit approved by the shareholders subject to the limit not exceeding 1% of the net profits of the Company as per the applicable provisions of the Companies Act, 2013.

b) Sitting Fees

The Non-Executive Director/Independent Director may receive remuneration by way of fees for attending the meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Stock Options

An Independent Director shall not be entitled to any stock options of the Company. Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

INDEPENDENT AUDITOR'S REPORT

To the Members of Vizag General Cargo Berth Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Vizag General Cargo Berth Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income], the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibility of Management for the 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 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Ajay Bansal

Partner

Membership Number: 502243

UDIN: 22502243AHGSMQ5893

Place of Signature: Gurugram

Date: April 18, 2022

**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date
Re: Vizag General Cargo Berth Private Limited (‘the Company’)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the port services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows

Name of the Statute	Nature of the dues	Amount (in Rs.) *	Period to which amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	29,30,463	2012 and 2013-14	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	4,70,74,941	2011-12 and 2014-15	Customs, Excise and Service Tax Appellate Tribunal

*excluding interest and penalty

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditors /secretarial auditors /us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 33 to the financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company's current liabilities exceeds the current assets by Rs. 101.74 Crore , the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date. We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Ajay Bansal
Partner
Membership Number: 502243

UDIN: 22502243AHGSMQ5893

Place of Signature: Gurugram
Date: April 18, 2022

Annexure 2 referred to in paragraph 2(f) under the heading “Report on Other legal and Regulatory Requirements” of our Report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Vizag General Cargo Berth Private Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) (“COSO 2013 Criteria”). 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 the 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in COSO 2013 criteria.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Ajay Bansal

Partner

Membership Number: 502243

UDIN: 22502243AHGSMQ5893

Place of Signature: Gurugram

Date: April 18, 2022

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Notes	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
<u>ASSETS</u>			
1 Non-current assets			
(a) Property, Plant and Equipment	4A	1.53	1.36
(b) Capital Work in progress	4C	0.44	0.24
(c) Intangible assets	4B	463.17	487.59
(d) Financial assets			
(i) Trade Receivables	5	-	-
(ii) Others financial assets	6	3.20	3.12
(e) Other non-current assets	11	0.05	-
(f) Income tax assets (net of provisions)		4.54	6.56
Total non current assets		472.93	498.87
2 Current assets			
(a) Inventories	7	1.92	2.22
(b) Financial assets			
(i) Investments	8	26.95	9.87
(ii) Trade receivables	9	8.75	4.10
(iii) Cash and cash equivalents	10	0.55	1.85
(iv) Other Bank Balances		2.00	-
(v) Other financial assets	6	0.62	5.17
(c) Other current assets	11	5.96	6.03
(d) Income tax assets (net of provisions)		0.01	0.01
Total current assets		46.76	29.25
Total assets		519.69	528.12
<u>EQUITY AND LIABILITIES</u>			
1 EQUITY			
(a) Equity share capital	12	47.11	47.11
(b) Other equity		(58.64)	(35.52)
Total equity		(11.53)	11.59
2 LIABILITIES			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	13	352.50	-
(ii) Others financial liabilities	16	-	-
(b) Deferred tax liabilities (Net)	30	5.42	6.39
(c) Other non-current liabilities	14	24.43	25.83
(d) Provisions	17	0.37	0.53
Total non current liabilities		382.72	32.75
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13A	70.50	425.00
(ii) Trade payables			
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	15	1.41	1.05
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		44.98	28.83
(iii) Other financial liabilities	16	22.25	22.75
(b) Other current liabilities	14	9.25	5.99
(c) Provisions	17	0.11	0.16
Total current liabilities		148.50	483.78
Total liabilities		531.22	516.53
Total equity and liabilities		519.69	528.12

See accompanying notes to the financial statements

As per our report of even date

For S.R Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of Board of Directors

per Ajay Bansal
Partner
Membership No.: 502243

Chikkala Sateesh Kumar
Director
DIN : 08879426

Sauvick Mazumder
Director
DIN : 07558996

Vinay Chaurasia
Chief Financial Officer

Place: Gurugram
Date : April 18, 2022

Place: Goa
Date : April 18, 2022

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Notes	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
I Income			
(a) Revenue from operations	18	161.69	108.33
(b) Other Operating income	18	0.27	0.40
(c) Other income	19	2.40	3.12
Total income		164.36	111.85
II Expenses			
(a) Employee benefits expense	20	5.05	2.09
(b) Royalty		62.36	33.89
(c) Finance costs	21	44.74	38.52
(d) Depreciation and amortization expense	4A & 4B	25.55	25.40
(e) Other expenses	22	50.93	35.56
Total expenses		188.63	135.46
III Loss before tax		(24.27)	(23.61)
IV Tax expense/(Benefit)	29		
(a) Current tax			-
(b) Deferred tax		(0.96)	(15.03)
		(0.96)	(15.03)
V Profit/ (Loss) after tax		(23.31)	(8.58)
VI Other comprehensive Income /(Loss)			
Items that will not be reclassified to profit or loss			
- Re-measurement on defined benefit obligations		0.19	0.12
VII Total comprehensive Income /(Loss) for the year		(23.12)	(8.46)
VIII Earnings/ (Loss) per equity share			
(a) Basic -Face value 10 /-	24	(4.95)	(1.82)
(b) Diluted -Face value 10 /-	24	(4.95)	(1.82)

See accompanying notes to the financial statements

As per our report of even date

For S.R Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of Board of Directors

per Ajay Bansal

Partner

Membership No.: 502243

Chikkala Sateesh Kumar

Director

DIN : 08879426

Sauvick Mazumder

Director

DIN : 07558996

Vinay Chaurasia

Chief Financial Officer

Place: Gurugram

Date : April 18, 2022

Place: Goa

Date : April 18, 2022

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
A. Cash flows from operating activities		
Net (Loss) before tax	(24.27)	(23.61)
Adjustments for :		
Depreciation and amortisation expense	25.55	25.40
Interest expense	44.74	38.52
Interest income	0.01	(0.38)
Realised and Unrealised gain on financial assets held for trading	(0.24)	(0.92)
Deferred government grant	(1.40)	(1.40)
Non Moving Inventory provision/(reversal)	-	0.08
Provision for bad and doubtful debts	1.46	-
Operating Profits before working capital changes	45.85	37.69
Working capital adjustments		
(Increase)/Decrease in inventories	0.30	0.00
(Increase)/Decrease in trade receivables and loans	(6.12)	14.76
(Increase)/Decrease in other financial and non financial assets	4.55	18.06
Increase/(Decrease) in trade payable	16.50	(28.99)
Increase/(Decrease) in other liabilities and provisions	4.32	(34.82)
Cash flow generated from operations	65.40	6.71
Income tax (paid)/refund (net)	2.02	2.63
Net cash flow generated from operations (A)	67.42	9.34
B. Cash flows from investing activities		
Purchase of property, plant and equipment including intangibles	(1.54)	(1.94)
Purchases of short term investments	(126.45)	(153.35)
Proceeds from sale of short term investments	109.61	193.97
Bank Deposit made	(2.00)	-
Interest received	(0.01)	0.38
Net cash generated/(used in) investing activities (B)	(20.39)	39.06
C. Cash flows from financing activities		
Re payment of Non Convertible Debenture (refer note 13)	-	(425.00)
Repayment of Inter company loan	(406.50)	-
Proceeds from Inter company loan (refer note 13A)	29.50	425.00
Proceeds of loan from Bank	375.00	-
Interest and finance charges paid	(46.33)	(49.61)
Net cash (used in) financing activities (C)	(48.33)	(49.61)
Net increase/(Decrease) in cash and cash equivalent (A+B+C)	(1.30)	(1.21)
Cash and cash equivalents at beginning of the year (Refer note-10)	1.85	3.06
Cash and cash equivalents at the end of the year (Refer note -10)	0.55	1.85

Notes:

- The figures in bracket indicates outflow.
- The above cash flow has been prepared under the "indirect method" as set out in Indian Accounting Standard (Ind As) 7 - Statement of Cash Flows.

See accompanying notes to the financial statements

As per our report of even date

For S.R Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors

per Ajay Bansal

Partner

Membership No.: 502243

Chikkala Sateesh Kumar

Director

DIN : 08879426

Sauvick Mazumder

Director

DIN : 07558996

Vinay Chaurasia

Chief Financial Officer

Place: Gurugram

Date : April 18, 2022

Place: Goa

Date : April 18, 2022

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(a) Equity Share Capital

Particulars	Number of shares	INR Crores
As at March 31, 2021	4,71,08,000	47.11
As at March 31, 2022	4,71,08,000	47.11

Note:-There has been no movement in the equity share capital for the year ended March 31, 2022. During the previous year Compulsorily Convertible Debentures has been converted to equity on the basis of valuation report. Accordingly Company has issued 1.50 Crore Equity Shares of Rs. 10/- each at a premium of Rs. 90/- per share to Vedanta Limited.

(b) Other Equity

Particulars	Equity component of compound financial instrument - See Note 13(ii)	Share Premium Account	Retained earnings	Total equity
Balance as at March 31, 2020	148.85	-	(160.91)	(12.06)
Retained earnings (refer note 13 (note ii))	1.15	-	(1.15)	0.00
Reduction in Deemed equity to converted equity shares	(15.00)	-	-	(15.00)
Loss for the year	-	-	(8.58)	(8.58)
Equity share premium	(135.00)	135.00	-	-
Other comprehensive loss	-	-	0.12	0.12
Balance as at March 31, 2021	0.00	135.00	(170.52)	(35.52)
Retained earnings (refer note 13 (note ii))				-
Reduction in Deemed equity to converted equity shares				-
Loss for the year			(23.31)	(23.31)
Equity share premium				-
Other comprehensive loss			0.19	0.19
Balance as at March 31, 2022	0.00	135.00	(193.64)	(58.64)

See accompanying notes to the financial statements

As per our report of even date

For S.R Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of Board of Directors

per Ajay Bansal

Partner

Membership No.: 502243

Chikkala Sateesh Kumar

Director

DIN : 08879426

Sauvick Mazumder

Director

DIN : 07558996

Vinay Chaurasia

Chief Financial Officer

Place: Gurugram

Date : April 18, 2022

Place: Goa

Date : April 18, 2022

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

1. Company Overview

Vizag General Cargo Berth Private Limited (the "Company") has been set up to develop, establish, construct, operate and maintain a project related to mechanization of coal handling facilities and upgradation of general cargo berth at outer harbour of Visakhapatnam Port (the "Project") under design, build, finance, operate and transfer ("DBFOT") basis. A 'Concession Agreement' entered into between the Company and Board of Trustees for Vishakhapatnam Port (the "Concessions Authority") granted the Company an exclusive licence for designing, engineering, financing, constructing, equipping, operating and maintaining the Project.

The concession is granted for a period of 30 years commencing from October 8, 2010 i.e. date of award of concession. The Company started its commercial operations effective March 15, 2013. The Company is entitled to recover tariff notified from time to time by the Tariff Authority for Major Ports, from the users of project facilities and services. On the expiry of the concession period the Company shall transfer the project assets to the concessions authority in accordance with the concession agreement.

The registered office of the Company is SIPCOT Industrial Complex Madurai Bye Pass Road, T. V. Puram P.O Thoothukudi Tamil Nadu 628002 India. The financial statements were approved for issuance by the Directors on April 18, 2022.

2. Basis of preparation

a) Basis of preparation and compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 (the Act).

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.

b) Basis of measurement

Read with note 33, the financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value (Refer note 3(d) below).

Vedanta Limited, the parent Company has through letter of support, agreed to continue to provide financial support to the Company for its continued operations at least for next eighteen months if the Company is unable to meet its funding requirements. Accordingly, these financial statements have been prepared on a going concern basis.

3. Significant accounting policies

The Company has applied the following accounting policies to all periods presented in these financial statements.

a) Property, Plant and Equipment

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Land acquired free of cost or at below market rate from the government is recognized at fair value with corresponding credit to deferred income.

Subsequent costs and disposal

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

Depreciation

Depreciation on Property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates) as given below. Management's assessment of independent technical evaluation/advice takes into account, inter alia, the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful lives of assets are as follows:

Asset	Useful life (in years)
Office equipment	5
Vehicles	8
Furniture and fixture	10

b) Intangible assets

- Port concession rights

The Port concession rights as "Intangible Assets" arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

significant residual interest in the infrastructure such as property, plant and equipment, irrespective whether the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the company as part of the service concession arrangement. Such an intangible asset is recognised initially at cost determined as the fair value of the consideration received or receivable for the construction service delivered and is capitalised when the project is complete in all respects. Port concession rights also include certain property, plant and equipment in accordance with Appendix A of Ind AS 11 'Service Concession Arrangements'.

Port concession rights are amortised on a straight line a basis based on the lower of their useful lives or the concession period (presently 30 years).

Any addition to the port concession rights or property, plant and equipment are measured at fair value on recognition and amortised over the its useful assets.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is de-recognised.

- Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised over their estimated useful life. Software is amortised using the straight-line method over the estimated useful life of five years or the tenure of the respective software license, whichever is lower. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

c) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The company assess at each reporting date whether there is an indication that an asset may be impaired. The company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists then an impairment review is undertaken and the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

the entity and not applicable to entities in general. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets - Recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in below categories:

- **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

- **Debt instruments at fair value through other Comprehensive income(FVOCI)**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to profit and loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

- **Debt instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in profit or loss.

- **Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. For equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the statement of profit or loss.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

(ii) Financial Assets - Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables
- Financial assets that are debt instruments and are measured as at FVOCI Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognized as income/ expense in profit or loss. The balance sheet presentation for various financial instruments is described below:

- a) **Financial assets measured at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The Company does not reduce impairment allowance from the gross carrying amount.
- b) **Debt instruments measured at FVOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

(iv) Financial liabilities – Recognition and Subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings.

The subsequent measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortised cost (Borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

- **Financial liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

(v) Financial liabilities - Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(vi) Equity instruments

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

(vii) Offsetting 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.

(viii) Income/loss recognition

- Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. 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.

e) Leases

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 and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2022

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. 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.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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. 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.

f) **Inventories**

Inventories comprise of stores and spares which are valued at the lower of cost determined on weighted average cost basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Net realizable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

g) **Government Grant**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy Applicable to financial liabilities.

h) Taxation

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognized outside profit or loss either in Other Comprehensive Income or Equity.

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

i) Employee benefits

(i) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(ii) Post-Employment benefits

- *Gratuity*

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2022

In accordance with the Payment of Gratuity Act of 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed at least 5 years of service; at retirement, disability or termination of employment being an amount equal to 15 day's salary (based on the respective employee's last drawn salary) for every completed year of service.

Based on actuarial valuations conducted as at year end, a provision is recognized in full for the benefit obligation over and above the funds held in the Gratuity Plan.

In respect of defined benefit schemes, the assets are held in separately administered funds. The cost of providing benefits under the plans is determined by actuarial valuation separately each year using the projected unit credit method by independent qualified actuary as at the year end.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income
- *Provident Fund*

The Company offers retirement benefits to its employees, under provident fund scheme which is a defined contribution plan. The Company and employees contribute at predetermined rates to the fund administered and managed by Government of India (GOI). The Company has no further obligation under this scheme beyond its contribution towards provident fund which is recognized as an expense in the Statement of profit and loss in the period it is incurred.
- *Superannuation*

Certain employees of the Company, eligible for the Superannuation plan. The Company make periodic contribution to superannuation plan of Life Insurance Corporation of India. The Company has no further obligations to the Plan beyond its monthly contributions. The contribution is recognized as an expense in the Statement of Profit and Loss.

(iii) Other Long-Term Employee benefits

- *Compensated absences*

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

j) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation, though the amount or timing is uncertain.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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 Company or a present obligation that is not recognized because it is not probable that an 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.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

k) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer... As per the Company's current revenue recognition practices, transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. The amount of revenue recognised reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue from cargo handling and storage is recognized in the period to which it relates based on the service performed. Revenue is measured based on the rates specified / agreed in the contract with customers.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section b) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

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Notes forming part of the financial statements as at and for the year ended March 31, 2022

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (t) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

l) Accounting for foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in profit or loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of the designated forecasted sales or purchases, which are recognized in the other comprehensive income.

m) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

n) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

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

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Notes forming part of the financial statements as at and for the year ended March 31, 2022

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only. 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.

o) Borrowing costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR). Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use i.e. when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, 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).

p) Segment reporting

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

Segment accounting policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and 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.

r) Fair Value Measurement

The Company measures financial instruments, such as, derivatives 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:

- In the principal market for the asset or liability, or
- 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.

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

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Notes forming part of the financial statements as at and for the year ended March 31, 2022

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.

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

s) Share-based payments

The Company does not have any outstanding share based payments. Vedanta Limited (“VL”), the immediate holding company offers certain share based incentives under the Long-Term Incentive Plan (“LTIP”) to employees and directors of the Company and its subsidiaries. VL recovers the proportionate cost (calculated based on the grant date fair value of the options granted) from the respective group companies, which is charged to the statement of profit and loss.

t) Ind AS 116: Leases

Ind AS 116 standard introduced a single lessee accounting model and requires a lessee to recognize a 'right of use asset' (ROU) and a corresponding 'lease liability' for all leases with the exception of short-term (under 12 months) and low-value leases. Lease costs has been recognised in the income statement over the lease term in the form of depreciation on the ROU asset and finance charges representing the unwinding of the discount on the lease liability. In contrast, the accounting requirements for lessors remain largely unchanged.

The Standard, in addition to increasing the Company’s recognised assets and liabilities, impacted the classification and timing of expenses and consequently the classification between cash flow from operating activities and cash flow from financing activities. Many commonly used financial ratios and performance metrics, using existing definitions, have also impacted including gearing, EBITDA, unit costs and operating cash flows. However, implementation of Ind AS 116 didn’t have a material effect on the Company’s Financial Statements.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have any material impact for leases where the Company is the lessor.

u) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unutilised tax losses, unutilised tax credits and tax rates
- How an entity considers changes in facts and circumstances

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Notes forming part of the financial statements as at and for the year ended March 31, 2022

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. There is no impact of the appendix on Company's financial statement.

3.1 Critical estimates and judgements in applying accounting policies

The preparation of the financial statements in conformity with Ind AS which requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about significant area of estimation and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Estimates

i) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

ii) Impairment Assessment

In view of the continuing losses despite increased business operations, the Company has reviewed the carrying value of its assets and estimated the value in use basis the discounted cash flow projections in accordance with the requirements of Ind AS 36. Based on the said assessment, it has been concluded that the value in use is higher than its carrying value as at 31 March 2022 and therefore, no impairment was required to be recorded in these financial statements. The Company has used key inputs centered around the forecasted revenue, operating and fixed costs, finance costs weightage average cost of capital etc.

Critical judgments

• **Contingencies**

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

While considering the possible, probable and remote analysis of taxation, legal and other claims, there is always a certain degree of judgement involved pertaining to the application of the legislation which in certain cases is supported by views of tax experts and/or earlier precedents in similar matters. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

3.2 Application of new standards and amendments

The Company has adopted, with effect from 01 April 2021, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendments to Ind AS 103 regarding the definition of identifiable assets acquired and liabilities assumed to qualify for recognition as part of applying the acquisition method;
2. Amendments to Ind AS 107, 109, 104 and 116 regarding Interest Rate Benchmark Reform - Phase 2;
3. Conceptual framework for financial reporting under Ind AS issued by the ICAI;
4. Amendments to Ind AS 116 regarding COVID-19 related rent concessions;
5. Amendments to Ind AS 105, 16 and 28 regarding definition of recoverable amount.

Standards notified but not yet effective

Amendments to Ind AS that are notified, but not yet effective, up to the date of issuance of the Company's financial statements are not expected to have a significant impact on the Company's financial statements. The Company has not early adopted any amendments that has been notified but is not yet effective.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

4A PROPERTY, PLANT AND EQUIPMENT

(INR Crores)

Particulars	Land - freehold	Furniture and fixtures	Office equipment	Total
GROSS BLOCK				
AT 1 APRIL 2020	0.07	1.00	3.57	4.64
Additions	-	-	0.35	0.35
Deletions	-	-	-	-
AT 31 MARCH 2021	0.07	1.00	3.92	4.99
Additions	-	-	0.64	0.64
Deletions	-	-	-	-
AT 31 March 2022	0.07	1.00	4.56	5.63
ACCUMULATED DEPRECIATION				
AT 1 APRIL 2020	-	0.73	2.50	3.22
Depreciation for the year	-	0.09	0.31	0.40
Depreciation on Deletions	-	-	-	-
AT 31 MARCH 2021	-	0.81	2.81	3.63
Depreciation for the year	-	0.08	0.39	0.47
Depreciation on Deletions	-	-	-	-
AT 31 March 2022	-	0.89	3.20	4.10
NET BOOK VALUE				
AT 31 MARCH 2021	0.07	0.18	1.11	1.36
AT 31 March 2022	0.07	0.10	1.35	1.53

4B Intangible Assets

(INR Crores)

Particulars	Port Concession Rights (Refer note 33)	Computer Software	Total
GROSS BLOCK			
AT 1 APRIL 2020	681.14	0.59	681.73
Additions	1.37	-	1.37
Deletions	-	-	-
AT 31 MARCH 2021	682.51	0.59	683.10
Additions	0.66	-	0.66
Deletions	-	-	-
AT 31 March 2022	683.17	0.59	683.76
ACCUMULATED DEPRECIATION			
AT 1 APRIL 2020	169.94	0.59	170.53
Depreciation for the year	24.99	0.00	25.00
Depreciation on Deletions	-	-	-
AT 31 MARCH 2021	194.93	0.59	195.51
Depreciation for the year	25.07	0.00	25.07
Depreciation on Deletions	-	-	-
AT 31 March 2022	220.00	0.59	220.59
NET BOOK VALUE			
AT 31 MARCH 2021	487.58	0.01	487.59
AT 31 March 2022	463.17	0.00	463.17

4C CWIP ageing schedule for projects in progress as at March 31, 2022

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 1 year	0.44	0.24
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	0.44	0.24

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

5 Non Current financial assets	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
Unsecured, considered good Trade receivable	-	-
Unsecured, considered Doubtful Trade receivable- Credit Impaired Less: Provision for doubtful Trade Receivables	0.09 (0.09) -	0.09 (0.09) -
6 Other financial assets	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
Non current (Unsecured, considered good)		
Security deposits	3.20	3.12
	3.20	3.12
Current (Unsecured, considered good)		
(a) Security Deposits	0.16	0.07
(b) Recoverable from Related Parties (refer Note 28)	-	3.45
(c) Interest accrued on deposits measured at amortised cost	0.14	0.27
(d) Contract Assets	0.32	1.38
	0.62	5.17
7 Inventories	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
Stores and spares (Refer note) (For method of valuation of inventories refer note-3(f)) Note:- The company recognised Non moving items as at March 31, 2022 of Rs.0.25 Crores (March 31, 2021 of Rs.0.09 Crores)	1.92	2.22
8 Current Investments	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
Investments in mutual funds carried at Fair value through P&L	26.95	9.87
Aggregate amount of quoted Investment in Mutual fund	-	-
Aggregate amount of unquoted Investment in Mutual fund	26.95	9.87

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VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

9 Trade receivables

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
Unsecured, considered good (Refer Notes below)	10.41	4.19
Provision for doubtful Trade Receivables	(1.66)	(0.09)
	8.75	4.10
Particulars	As at March 31, 2022	As at March 31, 2021
Secured, Disputed		
Unbilled	-	-
Not due	-	-
Less than 6 months	-	-
6 months 1 year	-	-
1-2 Years	-	-
2-3 years	-	-
More than 3 years	-	-
Sub Total	-	-
Secured, Unisputed		
Unbilled	-	-
Not due	-	-
Less than 6 months	-	-
6 months 1 year	-	-
1-2 Years	-	-
2-3 years	-	-
More than 3 years	-	-
Sub Total	-	-
Unsecured, Disputed		
Unbilled	-	-
Not due	-	-
Less than 6 months	-	-
6 months 1 year	-	-
1-2 Years	-	-
2-3 years	-	-
More than 3 years	-	-
Sub Total	-	-
Unsecured, Undisputed		
Unbilled	-	-
Not due	-	-
Less than 6 months	8.47	4.04
6 months 1 year	0.03	0.03
1-2 Years	1.91	0.12
2-3 years	-	-
More than 3 years	-	-
Sub Total	10.41	4.19
Less: Provision for expected credit loss	1.66	0.09
Total	8.75	4.10

Notes:

- (i) Trade receivables from a related party
(Refer note 28)
- 2.02 0.24
- ii) Average credit period offered by the Company to customers is 30 days. In case credit period is to be extended over 30 days to any customer, prior approval from Chief Executive Officer and Chief Financial Officer shall be obtained. In case payment is not received even after 90 days, Company may suspend the operations on behalf of such client.
- iii) The total contract assets as at March 31, 2022; March 31, 2021 and March 31, 2020 were Rs. 0.32 Crores, Rs. 1.38 crores, and Rs. Nil respectively.

10 Cash and cash equivalents

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
Balances with banks in current accounts	0.55	1.85
	0.55	1.85

11 Other Assets

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
(unsecured, considered good)		
Non Current		
(a) Balance with government authorities	-	-
(b) Capital Advances	0.05	-
	0.05	-
Current		
(a) Advance to suppliers	1.77	0.39
(b) Prepaid expenses	4.12	0.45
(c) Balance with government authorities	-	2.90
(d) Export Incentive receivable (Refer below note)	0.06	2.29
	5.96	6.03

Note DGFT has notified through notification no 29/2015-2020 dated 23rd September 2021 the list of services eligible for SEIS benefit for FY 2019-20. The list doesn't include the criteria applicable to the company i.e. Berth Hire services which was included in the heading "Supporting Services for maritime transport" in previous years. Hence the asset accrued during previous years has been written off during the year to the extent of Rs. 2.23 crore.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

12 Share capital

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount in Crores	Number of shares	Amount in Crores
Authorised				
Equity shares of Rs. 10 each with voting rights	5,00,00,000	50.00	5,00,00,000	50.00
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each with voting rights	4,71,08,000	47.11	4,71,08,000	47.11
	4,71,08,000.00	47.11	4,71,08,000.00	47.11

(i) There has been no movement in the equity share capital for the year ended March 31, 2022. During the previous year Compulsorily Convertible Debentures has been converted to equity on the basis of fair value derived as per the discounted cash flow method valuation report. Accordingly, Company has issued 1.50 Crore Equity Shares of Rs. 10/- each at a premium of Rs. 90/- per share to Vedanta Limited.

(ii) Details of shares held by the holding Company (including nominee) :

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Vedanta Limited, holding Company	4,71,08,000	100%	4,71,08,000	100%

(iii) Details of shares held by each shareholder holding more than 5% shares :

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% of Holding	Number of shares held	% of Holding
(a) Vedanta Limited (including nominee)	4,71,08,000	100%	4,71,08,000	100%

(iv) Disclosure of Shareholding of Promoters and Promoter Group

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	Number of Shares held (in Crore)	% of holding	% Change during the year	Number of Shares held (in Crore)	% of holding	% Change during the year
Vedanta Limited	4.71	100%	-	4.71	100%	-

(v) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share and dividend as and when declared by the company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by Board of Directors. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

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VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

13 Non current borrowings

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
Secured (measured at amortised cost)		
(a) Loan from IndusInd Bank (see note (iii) below)	375.00	-
Unsecured (measured at amortised cost)		
(a) Liability component of compound financial instruments (see note (ii) below)	-	-
Financial liabilities - Borrowings	375.00	-
Less: Current maturities of long term borrowings (Refer note 13(A))	(22.50)	-
Total non-current financial liabilities - Borrowings (Net)	352.50	-
Total secured borrowings	375.00	-
Total unsecured borrowings	-	-

Movement in borrowings during the year is provided below.

Particulars	Borrowings Due with in one year	Borrowings Due after one year	Total
Opening balance at April 1, 2020	425.12	-	425.12
Cash flow	-	-	-
Proceeds from Inter company loan	425.00	-	425.00
Re payment of Non Convertible Debenture	(425.00)	-	(425.00)
Other non cash changes	(0.12)	-	(0.12)
As at April 1, 2021	425.00	-	425.00
Repayment of Inter company loan from Vedanta Limited	(406.50)	-	(406.50)
Proceeds from Inter company loan-MVPL	29.50	-	29.50
Proceeds from Loan from IndusInd Bank	22.50	352.50	375.00
Current Maturity regrouped to other Financial liability	-	-	-
As at March 31, 2022	70.50	352.50	423.00

Other non cash changes comprises of amortization of borrowing cost and reclassification between borrowings due with in one year and borrowings due after one year.

Notes:

- (i) In May 2017, the Company issued NCDs of Rs.425 crore at an interest rate of 8.25%. These NCDs were secured by way of first pari-passu charge on the specific movable and/or immovable property, plant and equipment & Port Concession Rights (Intangible assets), as may be identified and notified by the Issuer to the Security Trustee from time to time, with minimum asset coverage of 1 time of the aggregate face value of debentures outstanding at any point of time. The NCDs were re-paid in September 2020. The charge from asset was released and No due certificate was provided by debenture trustee.
- (ii) Liability component of compound financial instruments represent the amortised cost of amounts payable on 1,500,000(Nos) 0.1% Unsecured Compulsorily Convertible Debentures ("CCDs") of Rs. 1,000 each issued by the Company to Vedanta Limited (the "Subscriber").The CCDs were allotted to the Subscriber on March 28, 2011 at Rs. 650 called up per CCD and the balance Rs. 350 was called upon during the year ending March 31, 2012. At the end of the 7th year from the date of allotment each of the CCDs shall be compulsorily convertible into equity shares of the Company at Rs. 11.10 each i.e. each CCD shall be converted into 90 equity shares of Rs. 10 each at a premium of Rs. 1.10 per share.During FY17-18 ,The tenure of CCD's has been extended by a period of 2 years 10 months . The CCD's was due for conversion on January 28, 2021. The said conversion was calculated basis the valuation report dated December 10, 2020. As per the said report, the Equity Shares of the Company are valued at Rs. 100/- per share (i.e face value of Rs. 10/- each and premium of Rs.90/- per share) and accordingly, each CCD is convertible into 10 (Ten) Equity Shares. The same is also approved by the Board of Directors in their meeting held on 19th January, 2021.The revised conversion price has been approved by the Shareholders of the Company at the Extra-ordinary General Meeting held on January 21, 2021 followed by the approval of Committee of Directors of Vedanta Limited dated January 27, 2021.Accordingly, the Company allotted 1,50,00,000 (One Crore and Fifty Lakhs) Equity Shares of Rs. 10/- each at a premium of Rs. 90/- per share to Vedanta Limited.
- (iii) The company has obtained a term loan from IndusInd bank on March 25, 2022 for an amount of Rs. 375 cr at the rate of 6.38%(364 T bill rate plus spread) for the period of 8 years for the purpose of repayment of Intercorporate loan from Vedanta Limited. The loan will be repaid in 32 structured quarterly installments with first repayment commencing from end of 3 months of date of first disbursement. 1%(applicable for 15 months) of the facility amount is payable as upfront . The Bank shall have the right to put the entire facility outstanding on the borrower and the Corporate Guarantor and demand repayment of the entire facility outstanding, at any time after the end of 15 months from the date of first disbursement. The Facility is secured by
 - 1) First pari-passu charge on the movable fixed and current assets(except for concession assets) of the Borrower and
 - 2) Negative lein over all Concessions movable and/or immovable property, plant and equipment & Port Concession Rights(intangible asstes) of the Borrower.

13A Current financial liabilities - Borrowings

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
Unsecured		
(a) Loan from related party-(Refer note 28 and below note)	48.00	425.00
Secured		
(b) Loan from IndusInd Bank(Refer note (ii) below)	22.50	-
Total	70.50	425.00

Note 1.The company has taken Inter Corporate loan from its fellow subsidiary Maritime Ventures Private Limited amounting to Rs. 50 Crores (Interest rate of 8.05% p.a) for the period of one year in August 2021 out of which Rs. 29.5 crore has been disbursed by the lender. Out of inter coporate loan of Rs. 425 crore obtained from Vedanta Limited at a rate of 10.5% p.a, Rs. 18.5 crore is outstanding as on 31-03-2022. Interest shall be due and payable at the end of 12 months from the date of receiving of the loan amount. Interest shall be due and payable at the end of 12 months from the date of receiving of the Loan amount.

2.From the proceeds of loan obtained from IndusInd Bank, 6% of principal(22.5 cr) is repayable in next one year(Refer note no (iii) to Note 13 above).

3.Terms of repayment of total borrowings outstanding as at 31st March 2022 are provided below:

Borrowings	Weighted average interest rate as at 31st March 2022	<1 year	1-3 years	3-5 years	>5 years	Total
Rupee Term Loan - IndusInd Bank*	6.38%	22.50	89.10	105.00	158.40	375.00
Loan from Related Party - Vedanta Limited	10.50%	18.50	-	-	-	18.50
Loan from Related Party - Maritime Ventures Private Limited	8.05%	29.50	-	-	-	29.50

Terms of repayment of total borrowings outstanding as at 31st March 2021 are provided below:

Borrowings	Weighted average interest rate as at 31st March 2021	<1 year	1-3 years	3-5 years	>5 years	Total
Loan from Related Party - Vedanta Limited	10.50%	425.00	-	-	-	425.00

*The Bank shall have the right to put the entire facility outstanding on the borrower and Corporate Guarantor and demand the repayment of the entire facility outstanding, at any time after the end of 15 months from the date of first disbursement and payment is required to be made within 60 days of exercise of such Put Option.

4. The loan facilities are subject to certain financial and non- financial covenants. The primary covenants which must be complied with include ratio of total Outside Liabilities to total Net worth. The Company is required to report on such covenants on annual basis which will be applicable for company from next financial year.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

14 Other liabilities

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
Non Current		
(a) Deferred government grant [refer note (ii) below]	24.43	25.83
Current		
(a) Statutory liabilities	2.18	1.01
(b) Advance from customers [refer note (i) below]	5.38	3.58
(c) Deferred government grant [refer note (ii) below]	1.40	1.40
(d) Others	0.29	-
	9.25	5.99

Notes-

- (i) Advance from customers are contract liabilities. The opening balance as at the start of the year was Rs.3.58 Crores. The advance payment will be settled by providing port operation services as per terms of respective agreement. As these are contracts that the company expects and has ability, to fulfill through delivery of non financial items, these are recognised as advance from customers and will be released to statement of profit and loss account as respective service delivered under the agreement. The portion of the advance that is expected to be settled within the next 12 months has been classified as a current liability.
- (ii) The Company has acquired certain plant and machinery on a concessional rate of duty as against which it has undertaken to make exports. The government grant is released to the statement of profit and loss on a systematic basis over a period of time.

15 Current financial liabilities-Trade payables

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
i) (a) Total Outstanding dues of Micro Enterprises and Small Enterprises(refer note 1 below)	1.41	1.05
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	39.40	28.08
ii) Trade payables to related parties (refer note - 28)	5.58	0.75
	46.39	29.88

Trade payables are non-interest bearing and are normally settled in 30 days terms.

Note-1 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed Dues - MSME		
Unbilled	-	-
Not due	-	-
Less than 1 year	1.40	1.05
1-2 Years	-	-
2-3 years	-	-
More than 3 years	-	-
Undisputed Dues - Others		
Unbilled	24.57	21.96
Not due	-	-
Less than 1 year	17.71	6.95
1-2 Years	2.70	(0.07)
2-3 years	-	0.00
More than 3 years	-	-
Disputed Dues - MSME		
Unbilled	-	-
Not due	-	-
Less than 1 year	-	-
1-2 Years	-	-
2-3 years	-	-
More than 3 years	-	-
Disputed Dues - Others		
Unbilled	-	-
Not due	-	-
Less than 1 year	-	-
1-2 Years	-	-
2-3 years	-	-
More than 3 years	-	-
	46.38	29.89

Particulars

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.41	1.05
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv)The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note:-

- As per concession agreement, storage royalty to be paid on notional basis in place of actual storage charges collected from port users and based on concession agreement Company had created the liability amounting to Rs.31.41 Crores from Aug-2016 to Sep-2018. During the previous year VPT agreed to change the effective date of rationalization from 21st Jan-2019 to 11th Jul-2018, based on revised effective date the liability of storage royalty is reduced by Rs. 7.13 Crores. Interest on storage Royalty also reduced by Rs.4.85 crores as the basic liability itself reduced for the period from 11th Jul 2018 to 21st Jan 2019. Management is confident that outstanding liability and interest till 2021 is sufficient to meet its obligation.
- During the year, an additional provision of Rs. 1.78 crore has been recognised based on the reconciliation and certification from special auditor for the shortfall of storage royalty for the period FY 2014-15 to FY 2018-19.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

16 Other financial liabilities

	<u>As at</u> <u>(INR Crores)</u>	<u>As at</u> <u>(INR Crores)</u>
Non Current		
	-	-
Current		
(a) Interest accrued but not due on borrowings (refer note 28)	19.36	20.94
(b) Security deposit from vendors	1.75	1.33
(d) Liability for Unpaid Wages	1.14	0.47
(e) Others	-	0.01
	22.25	22.75

17 Provisions

	<u>As at</u> <u>March 31, 2022</u> <u>(INR Crores)</u>	<u>As at</u> <u>March 31, 2021</u> <u>(INR Crores)</u>
Non Current		
(a) Provision for employee benefits (net) - Provision for gratuity (refer note 27)	0.37	0.53
Current		
(a) Provision for employee benefits (net) - Provision for compensated absences	0.11	0.16

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VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

18 Revenue from operations

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
(a) Revenue from contract with customers (Sale of services)		
- Income from port operations	161.69	108.33
(b) Other operating revenues		
- Scrap sales	0.27	0.40
	161.96	108.73

Revenue from Port operations are recorded over a period of time. Out of Rs.3.58 crore for which contract liabilities existed at the beginning of the year, Rs.0.32 crores has been recognised as revenue during the current year. The said revenue from contract with customers is after reducing discounts of Rs. 0.32 Crores (Previous year: Rs.0.68 Crores).The Company has a single stream of revenue and hence there is no additional information required with respect to disaggregation of revenue.

19 Other income

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
(a) Net gain on redemption/sale/Fair value on financial assets carried at FVTPL	0.24	0.92
(b) Interest income from financial assets measured at amortised costs	(0.01)	0.38
(c) Liquidation damages	-	0.35
(d) Amortization of deferred revenue arising from government grant (refer note 14)	1.40	1.40
(e) Liabilities written off	0.34	-
(f) Miscellaneous income	0.43	0.07
	2.40	3.12

20 Employee benefits expense

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
(a) Salaries and Wages	3.74	1.54
(b) Share based payment to employees (refer note 26)	0.06	0.07
(c) Contributions to provident and other funds (refer note 27)	0.50	0.14
(d) Staff welfare expenses	0.75	0.34
	5.05	2.09

21 Finance Cost

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
(a) Interest expense on financial liabilities at amortised cost (refer note 16)	44.44	37.77
(b) Other borrowing costs (refer note 28)	0.26	0.75
(c) Service cost on defined benefit plan	0.04	-
	44.74	38.52

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VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

22 Other Expenses

	As at March 31, 2022	As at March 31, 2021
	(INR Crores)	(INR Crores)
(a) Consumption of stores and spare parts	3.27	2.26
(b) Repairs and maintenance	2.93	0.85
(c) Power and fuel	10.68	8.73
(d) Material handling expenses	8.51	5.73
(e) Demurrage charges	0.07	0.82
(f) Port operation and maintenance expenses	12.07	8.78
(g) License fees for land	4.32	4.17
(h) Legal and professional	1.97	0.81
(i) Payment to auditors (refer note-(a) below)	0.10	0.12
(j) Security expenses	0.79	0.65
(k) Insurance	0.77	0.73
(l) Travelling and conveyance	0.23	0.32
(m) Rates and taxes	0.00	0.09
(n) Directors sitting fees	0.33	0.20
(o) Provision for bad and doubtful debts	1.46	-
(p) SEIS written off	2.22	-
(q) Miscellaneous expenses	1.21	1.31
	50.93	35.57

Note:

(a) Payment to auditors

As Auditors

- Audit fee	0.05	0.05
- Limited review	0.03	0.04

In other capacity

- Other services (Certification services)	0.01	0.02
- Reimbursement of expenses	0.01	0.01
	0.10	0.12

- (b) The Company was not required to spend any amounts on Corporate Social Responsibility (CSR) activities. The total actual expenditure on CSR activities is also nil.
- (c) During the previous year, provision made for Rs.3.44 Crores towards private siding staff charges for the period November-2018 to till date. Company has represented to VPT for waiver of the charges.

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VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

23 Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans.

The funding requirements are met through a mixture of equity, internal fund generation, convertible and non convertible debt securities, and other short term and Long term borrowings. The company's policy is to use current and non current borrowings to meet anticipated funding requirement.

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

Net debt are long term and short term debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital structure of the Company:

	INR Crores	
	As at March 31, 2022	As at March 31, 2021
Long-term borrowings (IndusInd)	352.50	-
Short-term borrowings (ICL)	70.50	425.00
Cash and cash equivalents (Note 10)	-	-
Current investments (Note 8)	-	-
Net debt (a)	423.00	425.00
Total Equity (b)	(58.64)	(35.52)
Net debt to equity ratio (c = a/b)	(7.21)	(11.96)

24 Earnings per share (EPS):

	Units	As at	
		March 31, 2022	March 31, 2021
Basic earnings/(loss) per share (BEPS)			
a. Net Profit/ (loss) after tax attributable to equity shareholders for BEPS	INR Crores	(23.31)	(8.58)
b. Number of equity shares for BEPS	No. of shares	4,71,08,000	4,71,08,000
c. Basic earning/(loss) per share	Rupees	(4.95)	(1.82)
Diluted earnings/ (loss) per share (DEPS)			
a. Diluted earning/(loss) per share (Refer Notes below)	Rupees	(4.95)	(1.82)

Notes:

1 During the previous year 2020-21, Compulsorily Convertible Debentures has been converted to equity on the basis of valuation report. Accordingly Company has issued 1.50 Crore Equity Shares of Rs. 10/- each at a premium of Rs. 90/- per share to Vedanta Limited the basic earnings per share and the diluted earnings per share is same for the purpose of computing diluted EPS.

2	Net profit/ (loss) after tax attributable to equity shareholders for BEPS	INR Crores	(23.31)	(8.58)
	Add: Interest on compulsory convertible debentures	INR Crores	-	0.01
	Net profit/ (loss) after tax attributable to equity shareholders for DEPS	INR Crores	<u>(23.31)</u>	<u>(8.57)</u>

3	Number of equity shares for BEPS	No. of shares	4,71,08,000	4,71,08,000
	Add: Effect of compulsory convertible debentures	No. of shares	-	-
	Number of equity shares for DEPS	No. of shares	<u>4,71,08,000</u>	<u>4,71,08,000</u>

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VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**Notes forming part of the financial statements as at and for the year ended March 31, 2022****25 Contingent liabilities, Commitments and others:**

	As at March 31, 2022	As at March 31, 2021
	(INR Crores)	(INR Crores)
Contingent liability:		
i The Company has received an order from the commissioner of Central Excise Customs & Service tax dated March 20,2017 for payment of service tax liability on account of incorrect availment of service tax credit on impugned capital goods and taxability of Berth hire charges in the hands of the Company during year 2013-14. Management considers these demands as not tenable against the company and therefore no provision for tax contingencies has been considered necessary.	5.00	5.00
ii The company has received a Show Cause Notice (SCN) from Commercial Tax Officer (CTO), Gajuwaka on November 02, 2017 asking for explanation for TDS deducted on rates different from those prescribed in the notification dated September 14, 2011 on Works Contract payment made between period November 14, 2011 to March 31,2015. The company had deducted the TDS at different rates ranging from 2.80% to 3.37% as against the statutory rate of 3.50%, thus resulting in lower deduction of TDS of Rs. 0.54 Crores. As assessed by CTO the liability is reduced from Rs.0.54 Crores to Rs.0.40 Crores as per the revised demand notice by CTO dated 25th Nov 2020. Management has filed appeal with tribunal against the CTO demand notice and basis assessment of the internal legal counsel believes that probability of the liability devolving on the Company is low and accordingly no provision has been made in the financial statement in this regard. This disclosed amount includes Penalty amount of communication received in 2020-21.	0.49	0.49

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2022

Other Commitments :

iii) Export Obligation :

The company had export obligation of USD 51.20 Million in financial year 2012-2013 on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods scheme enacted by the Government of India which is to be fulfilled over a period of 6 - 8 years from the date of purchase. In previous years, the Company has rendered export services amounting to USD 50.38 Million and during the year company has rendered export services amounting to USD 0.91 Million and thus the Company has no pending export obligations as at March 31, 2022. The Company has given bonds of Rs. 38.03 Crores (March 31, 2021: Rs. 38.03 Crores) to custom authorities against these export obligations in previous years and the Company will apply for redemption of these bonds in next financial year.

iv) Capital Commitment :

The Company has Capital commitment amounting to Rs.7.39 Crores (March 31,2021 Rs.0.97 Crores) which are yet to be executed and hence not provided for.

26 Share based compensation plans

The Company offered equity based and cash based option plans to its employees, officers and directors through the Company's stock option plan introduced in 2016, Cairn India's stock option plan now administered by the Company pursuant to merger with the Company and Vedanta Resources Limited (earlier known as Vedanta Resources Plc) plans [Vedanta Resources Long-Term Incentive Plan ("LTIP"), Employee Share Ownership Plan ("ESOP"), Performance Share Plan ("PSP") and Deferred Share Bonus Plan ("DSBP")] collectively referred as 'VRL ESOP' scheme.

Currently, the Company introduced an Employee Stock Option Scheme 2016 ("ESOS"), which was approved by the Vedanta Limited shareholders to provide equity settled incentive to all employees of the Company including subsidiary companies. The ESOS scheme includes tenure based, business performance based, sustained individual performance based and market performance based stock options. The maximum value of options that can be awarded to members of the wider management group is calculated by reference to the grade average cost-to-company ("CTC") and individual grade of the employee. The performance conditions attached to the option is measured by comparing Company's performance in terms of Total Shareholder Return ("TSR") over the performance period with the performance of two group of comparator companies (i.e. Indian and global comparator companies) defined in the scheme. The extent to which an option vests will depend on the Company's TSR rank against a group or groups of peer companies at the end of the performance period and as moderated by the Remuneration Committee.

Options granted during the year ended March 31, 2022 includes business performance based, sustained individual performance based and market performance based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA or a combination of these for the respective business/ SBU entities.

Amount recovered by the Parent and recognized by the company in the statement of profit and loss account for the year ended Crores 31, 2022 was Rs 0.06 Crores (Year ended March 31, 2021 was Rs 0.07 Crores). The Company considers these amounts as not material and accordingly has not provided further disclosures.

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27 Employee benefits

(i) Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised Rs.0.18 Crores (Previous year Rs. 0.17 Crores) for Provident Fund contributions in the Statement of Profit and Loss.

The Company has recognised Rs. 0.06 Crores (Previous year Rs.0.05 Crores) for Superannuation Fund contributions in the Statement of Profit and Loss.

Central provident fund

In accordance with the The Employees Provident Fund and Miscellaneous Provisions Act, 1952, employees are entitled to receive benefits under the Provident Fund Scheme. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2022 and 2021) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

Superannuation

Superannuation, another pension scheme applicable in India, is applicable only to senior executives. The Company holds a policy with Life Insurance Corporation of India ("LIC"), to which the Company contributes a fixed amount relating to superannuation and the pension annuity is met by LIC as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

(ii) Defined benefit plans

Gratuity plan

In accordance with the Payment of Gratuity Act of 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") for employees who have completed 5 years of service. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. The gratuity plan is a funded plan and the company makes contribution to recognized funds in India.

Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

- Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Discount Rate	7.14%	6.90%
Expected rate of increase in compensation level of covered employees	8.0%	8.0%
Expected return on plan asset*	8.65%	8.65%
Retirement age	58 years	58 years
In Service Mortality	IALM (2012-14)	IALM (2012-14)
Withdrawal rates for:-		
Up to 30 years	23%	23%
From 31 to 44 years	23%	23%
Above 44 years	23%	23%

* The expected rate of interest is considered based on historical data.

- Amount of obligation recognised in the balance sheet consists of:

	Year ended March 31, 2022 (INR Crores)	Year ended March 31, 2021 (INR Crores)
Present value of defined benefit obligations	0.79	0.98
Fair value of plan assets	(0.42)	(0.45)
	0.37	0.53

27 Employee benefits

Cont..

- Amounts recognised in Statement of Profit and loss in respect of defined benefit plan are as follows:

	Year ended March 31, 2022 (INR Crores)	Year ended March 31, 2021 (INR Crores)
Current service cost	0.06	0.06
Interest expenses on plan liabilities	0.07	0.07
Expected return on plan assets	(0.03)	(0.03)
	0.10	0.10

- Amounts recognised in the Other Comprehensive Income in respect of defined benefit plan are as follows:

Remeasurement of net defined benefit obligation	Year ended March 31, 2022 (INR Crores)	Year ended March 31, 2021 (INR Crores)
Actuarial loss/(gain) arising from changes in financial assumption	(0.01)	(0.16)
Actuarial loss arising from changes in experience adjustment	(0.19)	0.17
Actuarial gain arising from changes in demographic adjustment	-	(0.13)
Components of defined benefit costs recognized in other comprehensive income	(0.20)	(0.12)

- The movement in present value of the defined benefit obligation is as follows:

	Year ended March 31, 2022 (INR Crores)	Year ended March 31, 2021 (INR Crores)
Balance at start of the year	0.97	1.05
Current service cost	0.06	0.06
Interest cost	0.07	0.07
Benefits paid	(0.12)	(0.09)
Actuarial Gain on arising from Change in Demographic Assumption	-	(0.13)
Actuarial (gain)/loss arising from changes in financial assumption	(0.01)	(0.16)
Actuarial loss arising from changes in experience adjustment	(0.19)	0.17
Balance at end of year	0.78	0.97

- Movement in the fair value of plan assets is as follows:

	Year ended March 31, 2022 (INR Crores)	Year ended March 31, 2021 (INR Crores)
Balance at start of the year	0.46	0.41
Contribution received	0.06	0.10
Interest income	0.03	0.03
Charges	-	(0.01)
Benefits paid	(0.12)	(0.09)
Balance at the end of year	0.43	0.46

**% allocation of plan assets
Assets by category**

	Year ended March 31, 2022	Year ended March 31, 2021
Life insurance corporation of india	100%	100%

In absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets and the percentage or amount for each major category to the fair value of total plan assets has not been disclosed.

The actuarial return on plan assets was Rs. 0.03 Crores for the year ended March 31,2022 and Rs.0.03 Crores for year ended March 31,2021.

Weighted average duration of the defined benefit obligation	3.78	3.79
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The company expects to contribute Rs. 0.08 Crores to the funded defined benefit plan in fiscal year 2023 (PY of Rs.0.09 Crores).

- Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

27 Employee benefits

Cont..

	Year ended March 31, 2022' (INR Crores)	Year ended March 31, 2021' (INR Crores)
Discount rate		
PVO at the end of period (Discount rate - 0.5%)	0.77	0.96
PVO at the end of period (Discount rate - 0.25%)	0.77	0.95
PVO at the end of period Discount rate	0.79	0.98
PVO at the end of period (Discount rate + 0.25%)	0.77	0.98
PVO at the end of period (Discount rate + 0.5%)	0.76	0.99
Expected rate of increase in compensation level of covered employees		
PVO at the end of period (Salary Increase - 0.5%)	0.77	0.96
PVO at the end of period Salary increase	0.79	0.98
PVO at the end of period (Salary Increase + 0.5%)	0.80	0.99
Return of planned assets		
Fair value of plan assets -Expected rate -0.5%	0.03	0.03
Fair value of plan assets -Expected rate -0.25%	0.03	0.03
Fair value of plan assets - Base rate	0.03	0.03
Fair value of plan assets -Expected rate +0.25%	0.03	0.03
Fair value of plan assets -Expected rate +0.5%	0.03	0.03

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Investment risk

Defined benefit plans are funded with Life Insurance Corporation of India (LIC). Company does not have any liberty to manage the fund provided to LIC.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds . If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Maturity Profile of Defined Benefit Obligation

Year	INR Crores March 31, 2022
0 to 1 Year	0.17
1 to 2 Year	0.14
2 to 3 Year	0.11
3 to 4 Year	0.08
4 to 5 Year	0.07
5 to 6 Year	0.05
6 Year onwards	0.16

28 Related party transactions

(a) List of related parties and relationships

(i) Ultimate holding company

Volcan Investments Limited

(ii) Holding company:

Vedanta Limited

(iii) Fellow subsidiaries

- Bharat Aluminium Company Limited
- Talwandi Sabo Private Limited
- Maritime Ventures Private Limited
- Hindustan Zinc Limited
- ESL Steel Limited (Formerly known as Electrosteel Steels Limited)

(iv) List of Directors and Key Managerial Personnel (KMP)

- Mr. Prasun Kumar Mukherjee : Non-Executive Independent Director
- Mr. Vijay Chhibber : Non-Executive Independent Director
- Mr. Sauvick Mazumder : Non-Executive Director
- Mr. Chikkala Sateesh Kumar : Whole-time Director & Dy. Chief Executive officer--**KMP**
- Mr. Vinay Chaurasia : Chief Financial Officer --**KMP**
- Mr. Kamala Kantha Sahoo : Company Secretary (w.e.f 1st August 2021)--**KMP**

(b) Details of related party transactions (Excluding taxes, applicable if any) and balances outstanding as at year end are as stated below.

	Year ended March 31, 2022 (INR Crores)	Year ended March 31, 2021 (INR Crores)
Transactions during the year		
(i) Scripts Transferred		
- Vedanta Limited	-	4.35
- ESL Steel Limited (Formerly known as Electrosteel Steels Limited)	1.28	0.03
(ii) Scripts Received		
- Vedanta Limited	1.28	-
(iii) Income from port operations *		
- Vedanta Limited	1.75	9.46
- Bharat Aluminium Company Limited	2.56	-
- Maritime Ventures Private Limited	25.19	2.89
- ESL Steel Limited (Formerly known as Electrosteel Steels Limited)	1.47	3.67
(iv) Employee benefit expenses charged by*		
- Vedanta Limited (Refer Note 26)	0.06	0.07
(v) Employee benefit & Admin expenses charged to *		
- Vedanta Limited	0.24	0.15
- Maritime Ventures Private Limited	3.67	3.36
- ESL Steel Limited (Formerly known as Electrosteel Steels Limited)	0.04	0.05
- Fujairah Gold	-	0.00
- Hindustan Zinc Limited	0.07	-
- Talwandi Sabo Private Limited	0.02	0.07
(vi) Finance cost charged by Vedanta Limited *		
- Interest on debentures measured at amortised cost	-	22.63
- Other borrowing costs	0.14	0.66
- Interest on short term borrowings	42.51	-
(vii) Finance cost charged by Maritime Ventures Private Limited *	1.30	-
(viii) Reimbursement of expenses net*		
- Vedanta Limited	1.41	0.90
- Bharat Aluminium Company Limited	0.06	0.05
- Maritime Ventures Private Limited	3.07	-
- ESL Steel Limited (Formerly known as Electrosteel Steels Limited)	-	-
- Hindustan Zinc Limited	0.00	0.01
- Cairn India Limited	0.00	-
(ix) Purchase of Assets & Purchases & other services		
- Sesa Resources Limited	-	-
- Vedanta Limited	-	0.02
- ESL Steel Limited (Formerly known as Electrosteel Steels Limited)	-	0.17

28 Related party transactions

(x) Short term borrowing taken from		
- Vedanta Limited	425.00	425.00
- Maritime Ventures Private Limited	29.50	-
(xi) Key Management Personnel *		
- Sitting fees paid	0.33	0.20
- Remuneration of Key Managerial Personnel (refer note below)	1.29	0.80

Note: Remuneration of Key Managerial Personnel

	Year ended March 31, 2022 (INR Crores)	Year ended March 31, 2021 (INR Crores)
Short-term employee benefits	1.24	0.74
Post employment benefits	0.05	0.06
Share based payments	-	-
Total	1.29	0.80

* Details of related party transactions are reported by excluding taxes, if any

Outstanding balances at year end

	As at March 31, 2022 (INR Crores)	As at March 31, 2021 (INR Crores)
(i) Short term borrowing		
- Vedanta Limited	18.50	425.00
- Maritime Ventures Private Limited	29.50	0.00
(ii) Corporate Guarantee issued on Company's behalf by		
- Vedanta Limited	431.25	56.25
(iii) Trade Payables		
- Vedanta Limited	2.48	0.75
- Maritime Ventures Private Limited	3.10	-
- Cairn India	0.00	-
(iv) Other financial liabilities		
- Vedanta Limited	18.18	20.92
- Hindustan Zinc Ltd	-	0.01
- Maritime Ventures Private Limited	1.17	-
(v) Trade receivables		
- Vedanta Limited	1.67	0.23
- Bharat Aluminium Company Limited	0.34	-
- ESL Steel Limited (Formerly known as Electrosteel Steels Limited)	0.01	0.00
(vii) Recoverable from Fellow Subsidiary		
- Maritime Ventures Private Limited	-	0.86
- Vedanta Limited	-	2.59
(viii) Advance recoverable		
- Vedanta Limited	-	0.01
(ix) Advance from customer		
- Bharat Aluminium Company Limited	-	0.03
- Vedanta Limited	-	0.03

Terms and conditions of transactions with related parties

All transactions with related parties are made in ordinary course of business. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31 2022, the company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

29 Tax expense/(Benefit)

The major components of income tax expense/(Benefit) for the year ended March 31, 2022 are indicated below:

	Year ended March 31, 2022	Year ended March 31, 2021
	(INR Crores)	(INR Crores)
Current Tax	-	-
Deferred tax liability arising on temporary differences	(0.96)	(15.03)
	(0.96)	(15.03)

A reconciliation of income tax expense applicable to accounting profits before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
	(INR Crores)	(INR Crores)
Net (Loss) before tax	(24.27)	(23.61)
Statutory tax rate	29.12%	29.12%
Tax at statutory income tax rate	(7.07)	(6.87)
Disallowable expenses		
Non taxable income		
Deferred tax on accelerated depreciation under income tax	-	-
Other permanent differences		
Tax Impact on Unabsorbed Depreciation for Previous years - Deferred tax asset created	6.03	(9.87)
One time impact on Change in tax rate from 34.94% to 29.12% - Refer Note 30		-
Tax items reversing under tax holiday period		-
Deferred tax on Fair valuation of Mutual Fund under income tax	0.01	(0.16)
Deferred tax on Employee benefits under income tax on provisions	0.06	0.10
Tax losses and depreciation reversing during tax holiday period		-
Credit in respect to deferred tax for prior year	0	1.77
Others		-
Tax charge /(Credit) for the year	(0.97)	(15.04)

Sectoral Benefit - Port Operations

To encourage the establishment of infrastructure, ports have been offered income tax exemptions of upto 100% of profits and gains for any ten consecutive years within the 15 year period following commencement of operations subject to certain conditions. However, such undertakings would continue to be subject to MAT provisions.

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VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

30 Income tax

Deferred tax liabilities/ (assets)

The deferred tax liability represents accelerated tax relief for the depreciation of property plant and equipment and the amortisation of intangible assets and gain on the fair valuation of mutual fund. Significant components of liability recognized in the balance sheet are as follows:

As at March 31, 2022	(INR Crores)			
Significant components of deferred tax liabilities / (assets)	Opening April 01, 2021	Charged / (credited) to Statement of profit or loss	Charged/ (credited) to OCI	Total as at March 31, 2022
Property, plant and equipment and intangible assets	71.01	0.70	-	71.71
Losses/Unaborsorbed Depreciation available for offsetting against future taxable income	(64.43)	(1.74)	-	(66.17)
Fair valuation on mutual fund	(0.01)	0.01	-	(0.00)
MAT Credit entitlement	-	-	-	-
Employee benefit	(0.18)	0.06	-	(0.12)
Other Temporary Differences - Provisions	-	-	-	-
	<u>6.39</u>	<u>(0.97)</u>	<u>-</u>	<u>5.42</u>

As at March 31, 2021	(INR Crores)			
Significant components of deferred tax liabilities/ (assets)	Opening April 01, 2020	Charged / (credited) to Statement of profit or loss	Charged/ (credited) to OCI	Total as at March 31, 2021
Property, plant and equipment and intangible assets	69.60	1.41	-	71.01
Losses/Unaborsorbed Depreciation available for offsetting against future taxable income	(46.28)	(18.15)	-	(64.43)
Fair valuation on mutual fund	0.15	(0.16)	-	(0.01)
MAT Credit entitlement	-	-	-	-
Employee benefit	(0.29)	0.10	-	(0.19)
Other Temporary Differences - Provisions	(1.77)	1.77	-	-
	<u>21.41</u>	<u>(15.03)</u>	<u>-</u>	<u>6.38</u>

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31 Financial Instruments

(a) Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 and 3.

Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

(INR Crores)					
As at March 31, 2022					
Financial assets	FVTPL	FVTOCI	Amortised cost	Total carrying value	Total fair value
Cash and cash equivalents	-	-	0.55	0.55	0.55
Current investments	26.95	-	-	26.95	26.95
Trade receivables	-	-	8.75	8.75	8.75
Security deposits	-	-	3.20	3.20	3.20
Other receivables	-	-	-	-	-
Other current financial asset	-	-	0.62	0.62	0.62
	26.95	-	13.12	40.07	40.07
Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total carrying value	Total fair value
Borrowings	-	-	423.00	423.00	423.00
Trade payables	-	-	46.39	46.39	46.39
Other non current financial liabilities	-	-	-	-	-
Other current financial liabilities	-	-	22.25	22.25	22.25
	-	-	491.64	491.64	491.64
(INR Crores)					
As at March 31, 2021					
Financial assets	FVTPL	FVTOCI	Amortised cost	Total carrying value	Total fair value
Cash and cash equivalents	-	-	1.85	1.85	1.85
Current investments	9.87	-	-	9.87	9.87
Trade receivables	-	-	4.10	4.10	4.10
Security deposits	-	-	3.12	3.12	3.12
Other receivables	-	-	-	-	-
Other current financial asset	-	-	5.17	5.17	5.17
	9.87	-	14.24	24.11	24.11
Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total carrying value	Total fair value
Borrowings	-	-	425.00	425.00	425.00
Trade payables	-	-	27.88	27.88	27.88
Other non current financial liabilities	-	-	-	-	-
Other current financial liabilities	-	-	24.77	24.77	24.77
	-	-	477.65	477.65	477.65

(b) Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique-

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The below table summarises the categories of financial assets and liabilities as at March 31,2022 and March 31,2021

(INR Crores)			
As at March 31, 2022			
	Level 1	Level 2	Level 3
Financial Assets			
- Current investments	26.95	-	-
Financial Liabilities			
- Borrowings	-	423.00	-
(INR Crores)			
As at March 31, 2021			
	Level 1	Level 2	Level 3
Financial Assets			
- Current investments	9.87	-	-
Financial Liabilities			
- Borrowings	-	425.00	-

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31 Financial Instruments (Cont.)

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

- Short-term marketable securities not traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house. (a Level 1 technique)

Borrowings has been classified as level 2 both during the year and previous year. There were no transfers between level 1 , level 2 and level 3 during the year.

The Management assessed fair value of cash & cash equivalents, trade receivables, security deposits, loans, trade payables and other current financial assets and liabilities as their book values because of their short term maturities.A26

(c) Risk management framework

The company's businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. Each significant risk has a designated 'owner' within the company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk, liquidity risk and cashflow risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The Company's treasury policies are within the framework of the overall Holding Company's treasury policies and adherence to these policies is strictly monitored at the Executive Committee meetings. Long-term fund raising including strategic treasury initiatives are handled with the help of central treasury team. A monthly reporting system exists to inform senior management of investments and debt. The company has a strong system of internal control which enables effective monitoring of adherence to company's policies. The internal control measures are effectively supplemented by regular internal audits.

Financial risk

The Company's Board approved financial risk policies comprise liquidity, foreign currency, interest rate and counterparty credit risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest through proven financial instruments.

(i) Liquidity risk

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

	(INR Crores)				
	As at March 31, 2022				
Payment Due by Year	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Borrowings *	70.50	89.10	105.00	158.40	423.00
Trade payables and other financial liabilities **	46.14	-	-	-	46.14
Total	116.64	89.10	105	158	469.14
	(INR Crores)				
	As at March 31, 2021				
Payment Due by Year	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Borrowings *	425.00	-	-	-	425.00
Trade payables and other financial liabilities **	52.65	-	-	-	52.65
Total	477.65	-	-	-	477.65

*Includes Non-current borrowings, current borrowings, *current maturities of non-current borrowings and committed interest payments.(Refer point 3 to Note 13A)

**Includes current financial liabilities, excludes current maturities of non-current borrowings and committed interest payments on borrowings.

31 Financial Instruments (Cont.)

The Company had access to following funding facilities :

As at March 31, 2022

	<u>Total Facility</u>	<u>Drawn</u>	<u>(INR Crores)</u> <u>Undrawn</u>
less than one year	-	-	-
more than two year	391.00	390.91	0.09
Total	391.00	390.91	0.09

As at March 31, 2021

	<u>Total Facility</u>	<u>Drawn</u>	<u>(INR Crores)</u> <u>Undrawn</u>
less than one year	-	-	-
more than two year	16.00	15.91	0.09
Total	16.00	15.91	0.09

Collateral security

Details of securities for the borrowing facilities availed by the Company are as below:

(ii) Foreign exchange risk

Foreign exchange risk comprises of the risk that may arise to the Company because of fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may have an impact on the statements of profit or loss and statement of change in 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 Company. The Company does not have any foreign currency exposure as on March 31, 2022.

The Company's exposure to foreign currency arises where the Company holds monetary assets and liabilities denominated in a currency different to the functional currency, with US dollar being the non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The company has no foreign currency exposure as on March 31, 2022 & March 31, 2021

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31 Financial Instruments (Cont.)

(ii) Interest rate risk

The company is exposed to interest rate risk on long-term floating rate instruments and on refinancing of fixed rate debt borrowing instruments outstanding as on the year end. The company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees. Indian Rupee debt comprising of non convertible debentures term loan and compulsory convertible debentures is principally at fixed interest rates. These exposures are reviewed by appropriate levels of management on a monthly basis. The Company invests cash and liquid investments in debt mutual funds, some of which generate a tax-free return, to achieve the company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are largely interest bearing security deposits held by the Company. The returns from these financial assets are linked to bank rate notified by Reserve Bank of India as adjusted annually. Additionally, the investments portfolio is independently reviewed by CRISIL Limited, and our investment portfolio has been rated as "Very Good" meaning highest safety.

The exposure of the Company's financial assets & financial liabilities as at March 31, 2022 to interest rate risk is as follows:

	(INR Crores)			
	<u>Floating Rate</u>	<u>Fixed Rate</u>	<u>Non Interest</u>	<u>Total</u>
Financial Assets	26.95	3.87	11.25	42.07
Financial Liabilities		423.00	68.64	491.64

The exposure of the Company's financial assets & financial liabilities as at March 31, 2021 to interest rate risk is as follows:

	(INR Crores)			
	<u>Floating Rate</u>	<u>Fixed Rate</u>	<u>Non Interest Bearing</u>	<u>Total</u>
Financial Assets	9.87	1.79	12.45	24.11
Financial Liabilities	-	425.00	52.65	477.65

The table below illustrates the impact of a 0.5% to 2.0% increase in interest rates on interest on financial assets/ liabilities (net) assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

Increase in interest rates	<u>(INR Crores)</u>		<u>(INR Crores)</u>	
	Year Ended March 31, 2022	March 31, 2022	Year Ended March 31, 2021	March 31, 2021
0.50%		0.13		0.05
1.00%		0.27		0.10
2.00%		0.54		0.20

0.5% to 2% reduction in interest rate would have an equal and opposite effect on the company's financial statements.

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31 Financial Instruments (Cont.)

(iii) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company is exposed to credit risk for receivables, cash and cash equivalents, short-term investments and loans and advances.

The Company does not expect any material risk on account of non-performance by any of the Company's counterparties as approximate 64% receivables as on March 31, 2020 is pertaining to fellow subsidiary. The history of trade receivables shows a negligible provision for bad and doubtful debts therefore the company does not expect any material risk on account of non performance by any of the company's counter parties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes.

The carrying value of the financial assets and Current investments other than cash represents the maximum credit exposure. The company's maximum exposure to credit risk as at March 31, 2022 is Rs.12.57 Crores (March 31, 2021 Rs.12.39 Crores).

None of the company's cash equivalents are past due or impaired. Regarding trade and other receivables and other non-current assets, there were no indications as at March 31, 2022, that defaults in payment obligations will occur, other than those for which provision has already been taken in the financial statements.

Of the year end trade receivables and other financial assets, the following balance were past due but not impaired as at March 31, 2022 and March 31, 2021 :

Particulars	(INR Crores)	(INR Crores)
	As at	As at
	March 31, 2022	March 31, 2021
Neither impaired nor past due	3.20	3.12
Due less than one month	7.83	9.06
Due between 1 to 3 Months	1.25	0.15
Due between 3 to 12 Months	0.03	0.03
Due Greater than 12 Months	0.26	0.03
Total	12.57	12.39

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The company based on past experience does not expect any material loss on its receivables and hence no provision on account of ECL.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms

32 Service Concession arrangement

The Company has been engaged in coal berth mechanization and upgradation at Visakhapatnam port. The project is to be carried out on a design, build, finance, operate, transfer basis and the concession agreement between Visakhapatnam Port Trust ('VPT') and the Company was signed in June 2010. In October 2010, the Company was awarded with the concession after fulfilling conditions stipulated as a precedent to the concession agreement. Visakhapatnam port trust has provided, in lieu of license fee an exclusive license to the Company for designing, engineering, financing, constructing, equipping, operating, maintaining, and replacing the project/project facilities and services. The concession period is 30 years from the date of the award. The upgraded capacity is 10.18 mmtpa and the Visakhapatnam port trust would be entitled to receive 38.10% share of the gross revenue as royalty. The Company is entitled to recover a tariff from the user(s) of the project facilities and services as per its Tariff Authority for Major Ports(TAMP) notification. The tariff rates are linked to the Wholesale Price Index (WPI) and would accordingly be adjusted as specified in the concession agreement every year. The ownership of all infrastructure assets, buildings, structures, berths, wharfs, equipment and other immovable and movable assets constructed, installed, located, created or provided by the Company at the project site and/or in the port's assets pursuant to concession agreement would be with the Company until expiry of this concession agreement. The cost of any repair, replacement or restoration of the project facilities and services shall be borne by the Company during the concession period. The Company has to transfer all its rights, titles and interest in the project facilities and services free of cost to VPT at the end of the concession period. Intangible asset port concession rights represents consideration for construction services. No Revenue from construction contract of service concession arrangements on exchanging construction services for the port concession rights was recognised for the year ended March 31, 2022 and March 31, 2021.

VIZAG GENERAL CARGO BERTH PRIVATE LIMITED
Notes forming part of the financial statements as at and for the year ended March 31, 2022

33 Financial ratios are as follows:

	Ratio	Formula	As at	As at	Change	Reasons
			31 March 2022	31 March 2021		
(a)	Current Ratio (in times)	Current Assets/Current Liabilities	0.60	0.50	17%	No major variance
(b)	Debt-Equity Ratio (in times)	Gross Debt/ Equity	(36.70)	36.68	200%	Due to negative networth
(c)	Debt Service Coverage Ratio (in times)	Earnings before interest, depreciation, tax and exceptional items/ (interest expense + principal payments of long term loans)	0.15	0.14	8%	No major variance
(d)	Return on Equity Ratio (%)*	Net Profit after tax before exceptional/Net Worth	202%	-74%	137%	Due to increase in losses and negative networth
(e)	Inventory turnover ratio (in times)	Revenue from operations less EBITDA/ Average Inventory	-	-	0%	NA
(f)	Trade Receivables turnover ratio (in times)	Revenue from operations/ Average Trade Receivables	25.16	10.17	60%	Due to increase in revenue and trade receivable.
(g)	Trade payables turnover ratio (in times)	Total Purchases/Average Trade Payables	-	-	0%	NA
(h)	Net capital turnover ratio (in times)	Revenue from Operations / Working capital	(1.59)	(0.24)	85%	Due to increase in revenue and negative working capital.
(i)	Net profit ratio (%)	Net Profit after tax before exceptional items/Revenue from operations	-14%	-8%	45%	Due to increase in losses.
(j)	Return on Capital employed (in times)*	Earnings net of taxes/ Average Capital Employed	(0.11)	(0.13)	-19%	No major variance
(k)	Return on investment	Income from investment measured at FVTPL/ Average current investment	0.01	0.03	-136%	Due to decrease in interest on investment

*Return on Equity Ratio is coming positive as company is having losses and negative net worth

Note:

1. The Company has net current liabilities amounting to Rs.101.74 Crores mainly on account of ICL which are due for repayment in Sep'22. The directors have received an unconditional letter of support from Vedanta Limited, the parent company, who will provide financial support to the Company to enable it to meet its obligations as and when they fall due and to carry on its current business for the next 18 months. Thus, the financial statements have been prepared on going concern basis

34 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(ii) The Company do not have any transactions with companies struck off except as below:

Name of struck off Company	Nature of transactions with struckoff Company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021	Relationship with the Struck off company, if any, to be disclosed
JUKASO HOTELS	Payables	-	25,424	Not Applicable

- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

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VIZAG GENERAL CARGO BERTH PRIVATE LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2022

35 The Company has only one business segment primarily the supply of cargo handling and storage services and operates in one geographical segment. Accordingly, disclosures relating to operating segments under the Indian Accounting Standard (Ind AS) 108 on "Operating Segments" notified under section 133 read with Rule 4A of the Companies Act, 2013, are not applicable to the Company for current year. Revenue from three customer amounting to Rs. 67.73 Crores (March 31, 2021 Rs. 41.13 Crores revenue from one customers) exceeded 10% of the total revenue of company. All the company's revenue , trade receivable and non current asset are in India.

36 Previous year figures have been regrouped/ reclassified, where necessary, to confirm to this year's classification.

As per the report of even date

For S.R Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of Board of Directors

per Ajay Bansal

Partner

Membership No.: 502243

Chikkala Sateesh Kumar

Director

DIN : 08879426

Sauvick Mazumder

Director

DIN : 07558996

Vinay Chaurasia

Chief Financial Officer

Place: Gurugram

Date : April 18, 2022

Place: Goa

Date : April 18, 2022