



# ADD & ASSOCIATES

Chartered Accountants

P-168, Sector - B

Metropolitan Co-Op Hsg. Soc. Ltd.

Canal South Road

Kolkata - 700105

Phone : 2323-0178/2242-0406

E-mail : add\_associates@yahoo.in

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VISKHAPATNAM PORT LOGISTICS PARK LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **VISAKHAPATNAM PORT LOGISTICS PARK LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, Cash Flow Statement and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating





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the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31<sup>st</sup> March, 2015, and its profit/loss for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit & Auditors') Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has no pending litigations on its financial position in its financial statements
  - ii. The Company has not entered into any long-term contract or derivative contract and hence no provision for loss made.
  - iii. The Company was not required to transfer any amount to the Investor Education and Protection Fund.

As required by Section 143(5) of the Act, the Directions issued by the C&AG for audit of the Company and the replies thereto are enclosed herewith as a part of the Audit Report.

For **ADD & ASSOCIATES**  
**Chartered Accountants**

FRN-308064E



S. Dey Bandopadhyay  
(Partner)

M. No. 64055

Place: Kolkata

Date: 25/05/2015





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## Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year-ended 31<sup>st</sup> March, 2015, we report that:

- (i) The Company has been newly formed and has no fixed assets on the date of the Balance Sheet.
- (ii) The Company has no inventory during the period and hence the clause is not applicable.
- (iii) The Company has not granted any loans , secured or unsecured to any company , firm other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) The Company has adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) The company has not accepted deposits.
- (vi) Maintenance of Cost Records under Section 148 (1) of the Companies Act.2013 has not been prescribed
- (vii)According to the information and explanations given to us , no undisputed amount is payable in respect of provident fund , income tax, wealth tax, service tax, duty of customs, value added tax, cess and other statutory dues were in arrears as at 31<sup>st</sup> March, 2015 .
- (vii) The Company has accumulated losses of Rs. 96.56 lacs at the end of the financial year and cash loss of Rs. 96.56 lacs during the year.
- (ix) The Company does not have outstanding dues to financial institutions, banks or debenture holders during the year.
- (x) The Company has not given any guarantee for any loan taken by others from any Bank or financial institution.
- (xi) The Company does not have any term loan outstanding during the year.
- (xii) According to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

Place- KOLKATA

Date- 25/05/2015



for **ADD & ASSOCIATES**  
**Chartered Accountants**  
**FRN 308064E**

**CA.S.DEY BANDOPADHYAY**  
**Partner**  
**M.No.064055**



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## Directions under Section 143(5) of the Companies Act 2013

Sl.No	Direction	Replies of Auditor
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	Not Applicable
2	Please report whether there are any cases of waiver/write of debts/loan/interest etc., if yes, the reason there for and the amount involved.	Not Applicable
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from govt. or other authorities.	Not Applicable
4	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	No such pending legal cases



**VISAKHAPATNAM PORT LOGISTICS PARK LIMITED****Balance Sheet as at 31st March 2015**

	<b>Note No.</b>	<b>As at 31 March 2015 Rs in Lakhs</b>	<b>As at 31 March 2014 Rs in Lakhs</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share Capital	1	1.00	-
Reserves and Surplus	2	(96.56)	-
<b>Total Shareholder's Fund</b>		<b>(95.56)</b>	<b>-</b>
<b>Current Liabilities</b>			
Other Current Liabilities	3	196.39	-
<b>Total Current Liabilities</b>		<b>196.39</b>	<b>-</b>
<b>TOTAL</b>		<b>100.83</b>	<b>-</b>
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>			
Fixed Assets			
Capital Work-in-Progress	4	99.83	-
<b>Total Non-current Assets</b>		<b>99.83</b>	<b>-</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	5	1.00	-
<b>Total Current Assets</b>		<b>1.00</b>	<b>-</b>
<b>TOTAL</b>		<b>100.83</b>	<b>-</b>
<b>Additional Disclosures</b>	7		

The Notes referred above form part of the Accounts  
Significant Accounting Policies form part of Accounts

As per our report attached

For ADD & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 308064E

CA S. DEY BANDOPADHYAY  
(Partner)  
Membership No. 064055

Kolkata, the 8th of May 2015



Director

Director

**Profit and Loss Statement for the year ended 31st March 2015**

	Note No.	For The Year Ended 31 March 2015 Rs in Lakhs	For The Year Ended 31 March 2014 Rs in Lakhs
<b>Income:</b>			
Revenue from Operations		-	-
Other Income		-	-
<b>Total Revenue</b>		<u>-</u>	<u>-</u>
<b>Expenses:</b>			
Other Expenses	6	96.56	-
<b>Total Expenses</b>		<u>96.56</u>	<u>-</u>
Profit /( Loss) before exceptional and extraordinary items and tax		<u>(96.56)</u>	<u>-</u>
Exceptional items		-	-
Profit /( Loss) before extraordinary items and tax		<u>(96.56)</u>	<u>-</u>
Extraordinary Items		-	-
Profit / (Loss) before Tax		<u>(96.56)</u>	<u>-</u>
Tax Expenses:			
Current Year		-	-
Earlier Years		-	-
Deferred Tax		-	-
Profit/ (Loss) for the period from continuing operations		<u>(96.56)</u>	<u>-</u>
Profit/( Loss) after Tax		<u>(96.56)</u>	<u>-</u>
 Earnings per Equity Share : Rs			
Basic		(965.60)	-
Diluted		(965.60)	-

**Additional Disclosures**

7

The Notes referred above form part of the Accounts  
Significant Accounting Policies form part of Accounts

As per our report attached

CA S. DEY BANDOPADHYAY  
(Partner)  
Membership No. 064055



*[Signature]*  
**Director**

*[Signature]*  
**Director**

Kolkata, the 8th of May 2015



**VISAKHAPATNAM PORT LOGISTICS PARK LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2015**

	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>A</b>		
Cash flow from operating activities		
Net Profit before tax	-96.56	-
Operating Loss before Working Capital Changes	-96.56	-
Current Liabilities	196.39	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>99.83</b>	<b>-</b>
<b>B</b>		
Cash Flow from Investing Activities		
Fixed Assets - Capital Work in Progress	-99.83	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-99.83</b>	<b>-</b>
<b>C</b>		
Cash Flow from financing activities		
Proceeds from issuance of Shares	1.00	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>1.00</b>	<b>-</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1.00</b>	<b>-</b>
Cash & Cash Equivalent Opening Balance	-	-
Cash & Cash Equivalent Closing Balance	1.00	-

As per our report attached

  
**CA. S. DEY BANDOPADHYAY**  
(Partner)

Membership No. 064055

Kolkata, the 8th of May 2015



  
**Director**

  
**Director**

## NOTES TO ACCOUNTS

<u>NOTE 1</u>	<u>SHARE CAPITAL</u>	<u>Rs in Lakhs</u>
	Authorised Share Capital (1250000 Shares of Rs 10 each)	1250.00
	Issued & Paid up Capital (10000 shares @ Rs 10 each)	1.00
	<b>Total</b>	<b><u>1.00</u></b>

<u>NOTE 2</u>	<u>RESERVES AND SURPLUS</u>	<u>Rs in Lakhs</u>
	Opening Balance	-
	Loss transferred	(96.56)
	<b>Total</b>	<b><u>(96.56)</u></b>

<u>NOTE 3</u>	<u>OTHER CURRENT LIABILITY</u>	<u>Rs in Lakhs</u>
	Payable to BL	196.24
	Audit Exp	0.15
	<b>Total</b>	<b><u>196.39</u></b>

<u>NOTE 4</u>	<u>CAPITAL WORK IN PROGRESS</u>	<u>Rs in Lakhs</u>
	Capital Work in Progress	99.83
	<b>Total</b>	<b><u>99.83</u></b>



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**NOTE 5**      **CASH & CASH EQUIVALENTS**      **Rs in Lakhs**

Balance with IndusInd Bank	1.00
<b>Total</b>	<b><u>1.00</u></b>

**NOTE 6**      **OTHER EXPENSES**      **Rs in Lakhs**

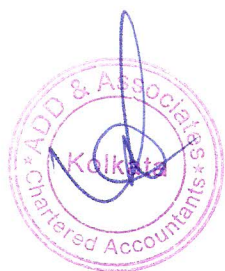
Preliminary Expense	96.41
Auditors Expense	0.15
<b>Total</b>	<b><u>96.56</u></b>

**NOTE 7**      **ADDITIONAL DISCLOSURES**

31.1 Visakhapatnam Port Logistic Park Limited is a 100 % Subsidiary of Balmer Lawrie and Company Limited as on 31.03.2015

31.2 Capital Commitment for the company as on 31.03.2015 is Rs 96.39 Lacs comprising of the beow mentioned items

Engineering Consultancy	Rs 95.92 Lakhs
Ground Water Investigation	Rs 0.47 Lakhs



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### ADDITIONAL DISCLOSURES

31.3 There are no Micro, Small and Medium Enterprises, to whom the company owes dues which are outstanding for more than 45 days at the Balance Sheet date.

31.4 Auditors remuneration and Expenses ( Note 6 )	<u>2014-15</u>	<u>2013-14</u>
- Audit Fees	0.15	-
	<u>0.15</u>	<u>-</u>

### 31.5 Related Party Disclosure

<u>Name of Related Party</u>	<u>Nature of Relationship</u>
Balmer Lawrie & Co Ltd	Holding Company

### 31.6 Transactions with Related Party

<u>Type of Transaction</u>		<u>Holding Company</u>
Net outstanding payable as on	31st March, 2015	19,623,560.69
	31st March, 2014	-
Investment in Equity Capital	31st March, 2015	100,000.00
	31st March, 2014	-

### 31.7 Earnings Per Share

- Earnings per share of the company has been calculated considering Loss of Rs 96.56 Lacs as the numerator.
- The weighted average number of equity shares used as denominator for calculation of basic and diluted earnings per share is 10,000 in number and face value of Rs 10.

### 31.8 Capital Work in Progress as at Balance sheet date is comprised of :

Asset classification (*)	31.03.2015 Rs/ Lacs	31.03.2014 Rs / Lacs
Building & Civil	99.83	-

(\*) Subject to final allocation/adjustment at the time of capitalisation.

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## **SIGNIFICANT ACCOUNTING POLICIES**

### **1. Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis.

These financial statements have been prepared as per Companies Act 2013, section 133 with Rule 7 of the Companies (Accounts) Rule 2014.

### **2. Fixed Assets and Depreciation**

- a) Fixed Assets are valued at cost of acquisition inclusive of any other cost attributable to bringing the same to their working condition.
- b) Fixed Assets manufactured/constructed in-house are valued at actual cost of raw materials, conversion cost and other related costs.
- c) Cost of leasehold land is amortized over the period of lease.
- d) Expenditure incurred during construction of capital projects including related pre-production expenses is treated as Capital Work-in-Progress and in case of transfer of the project to another body, the accounting is done on the basis of terms of transfer.
- e) Fixed assets retired from active use and held for disposal are stated at the lower of book value and net realizable value and are shown separately in the financial statements. Loss determined, if any, is recognized in the profit and loss statement.
- f) Depreciation on tangible assets is provided on pro-rata basis on the straight line method over the estimated useful lives of the asset or over the lives of the assets prescribed under Schedule II of the Companies Act 2013 whichever is lower.

### **3. Valuation of Investments**

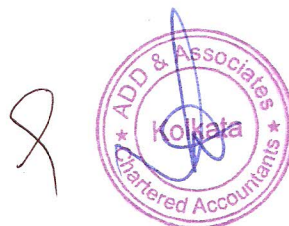
The long term investments made by the company appear at cost inclusive of acquisition charges. Provision is made for diminution in value considering the nature and extent of permanent diminution. Current investments appear at lower of cost or fair value.

### **4. Valuation of Inventories**

- (i) Tools, dies, jigs and fixtures are written-off over the economic life except items costing upto Rs.10000 which are charged off in the year of issue.

### **5. Recognition of Revenue**

Revenue is recognised in compliance with the following:



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## 5. Recognition of Revenue

Revenue is recognised in compliance with the following:

a) In case of services rendered:

When performance in full or part as having achieved is recognised by the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from rendering the services. Income from Services are exclusive of Service Tax.

b) In case of other income:

- i) Interest - on a time proportion basis taking into account the outstanding principal and the relative rate of interest.
- ii) Dividend from investments in shares - on establishment of the Company's right to receive.

## 6. Employee Benefits

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

## 7. Treatment of Prior Period and Extraordinary Items

- a) Prior period items which arise in the current period as a result of error or omission in the preparation of prior period's financial statement are separately disclosed in the current statement of profit & loss. However, differences in actual income/expenditure arising out of over or under estimation in prior period are not treated as prior period income/expenditure.
- b) Income / Expenditure upto Rs. 10000 in each case pertaining to prior years is charged to the current year.
- c) Extraordinary items, i.e., gains or losses which arise from events or transactions which are distinct from the ordinary activities of the Company and which are material are separately disclosed in the statement of accounts.



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## 8. Foreign Currency Translations

- a) All transactions in foreign currency other than those specified below are converted at the exchange rate prevailing on the respective dates of transactions.
- b) Monetary items denominated in a foreign currency (such as cash, balance in bank accounts, receivables, payables, etc ) are translated at the exchange rate prevailing on the date of Balance Sheet other than those covered with forward contract.
- c) Non-monetary assets denominated in foreign currency such as Long Term Investment, Inventories and Fixed Assets are carried at cost .
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account.

## 9. Treatment of Grant/Subsidy

- a) Revenue grant/subsidy in respect of research & development expenditure is set off against respective expenditure.
- b) Capital grant/subsidy against specific fixed assets is set off against the cost of those fixed assets.
- c) When grant/ subsidy is received as compensation for extra cost associated with the establishment of manufacturing units or cannot be related otherwise to any particular fixed assets the grant/subsidy so received is credited to capital reserve. On expiry of the stipulated period set out in the scheme of grant/subsidy the same is transferred from capital reserve to general reserve.
- d) Revenue grant in respect of organisation of certain events is shown under Sundry Income and the related expenses there against under normal heads of expenditure.

## 10. Accounting for Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition, construction or production of assets which take substantial period of time to get ready for its intended use are capitalised as part of the cost of those assets. Other Borrowing Costs are recognised as expense in the period in which they are incurred.



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### 11. Impairment of Assets

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

### 12. Intangible Assets

- (a) Expenditure incurred for acquiring intangible assets like software of Rs. 5,00,000 and above and license to use software per item of Rs. 25000 and above, from which economic benefits will flow over a period of time, is capitalized and amortized over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.
- (b) In other cases, the expenditure is charged to revenue in the year in which the expenditure is incurred.

### 13. Provisions, Contingent Liabilities and Capital Commitments

- (a) Provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.
- (b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company.
- (c) Capital commitments and Contingent liabilities disclosed are in respect of items which exceed Rs. 1,00,000 in each case.
- (d) Contingent liabilities are considered only on conversion of show cause notices issued by various Government authorities into demand.

### 14. Cash Flow Statement

Cash Flow Statement, as per Accounting Standard – 3 issued by The Institute of Chartered Accountants of India, is prepared using the Indirect Method.

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