



KAKINADA SEAPORTS LIMITED

Registered Office: 1st Floor, D No: 54-14/8-36, Plot No-17, Road No:2,
Bharathi Nagar, Vijayawada, Krishna District – 520 008 Andhra Pradesh
CIN: U24239AP1998PLC098093 Tele Fax: 0866-2473747

Website: www.kakinadaseaports.in e-mail: mailhyd@kakinadaseaports.in

CORRIGENDUM – 22nd ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED – 31st MARCH 2020

This has reference to the Notice dated 18th August, 2020 (“AGM Notice”) convening the Annual General Meeting of the shareholders of Kakinada Seaports Limited (the “Company”) scheduled to be held on Monday, 14th September, 2020 at 10:00 A.M. through VC/OAVM to transact the business as set out in the AGM Notice, the dispatch of which was duly completed by the Company on 21st August 2020 in physical copies to the shareholders who have not registered their e-mail addresses, and electronically to those shareholders who have registered their e-mail addresses.

The shareholders may acknowledge that due to COVID lockdown, many aspects of preparation of annual financial statements and the associated reports were happening on remote working basis through virtual flow of information. This changed environment has led to some slippages that have crept in groupings in the Balance Sheet while presenting the financial statements, which the Directors would like to explain through this document. The inconvenience caused is deeply regretted and is completely unintentional.

With regard to the 22nd Annual Report, please be informed that the following parts of the Annual Report 2019-20 appearing at pages 48, 54, 58, 70, 74, 85, 96, 100, 115, 119 and 130 are by this Corrigendum be rectified and substituted to the figures printed in the Annual Report 2019-20 and that this corrigendum should be read in conjunction with the Annual Report 2019-20, already circulated to the members. The rectification in Groupings mentioned herein are approved by the Board of Directors.

1. PAGE No.48 – Typographical error in the Audit Report 2019-20 wherein the value pertaining to March, 2019 was wrongly selected instead of March, 2020, is now hereby rectified

As Printed: Net Block as at March 31, 2020 (in lakhs) 15,414.94

Correction and substituted as: Net Block as at March 31, 2020 (in lakhs) 13,971.25

Corrected and substituted page copy is enclosed vide Annexure- 1

Grouping inconsistencies rectified on Page No. 54, 70, 74, 115 and 119

The Next set of issues in contributing to the corrigendum is in relation to the Grouping of Provision made for receivables from a Company amounting to Rs. 2049.73 Lakhs. This provision instead of being disclosed as deduction from the overall receivables of your Company, was wrongly grouped under Advances from customers (being a credit balance) which resulted in a grouping inconsistency. The rectification in Grouping is explained in the following paragraphs and the Board of Directors confirm that the rectifications contemplated herein does not have any bearing on the earnings of your Company and it has only impacted few disclosures in the Balance Sheet and its schedules appearing on page 54, 70, 74, 96, 115 and 119 of the Annual report 2019-20, is now hereby rectified .



2. PAGE No.54 – Consequent rectifications on account of the above Grouping issue with corresponding changes in Page No. 70 and 74

As Printed:

Trade Receivables - Note 13	Rs. 12,310.25 lakhs
Total Assets	Rs. 1,68,203.58 lakhs

Other Liabilities - Note 26	Rs. 4,824.99 lakhs
Total Equity & Liabilities	Rs. 1,68,203.58 lakhs

Corrected and substituted as:

Trade Receivables Note 13	Rs. 10,260.52 lakhs (net of provision for doubtful receivables)
Total Assets	Rs. 1,66,153.85 lakhs

Other Liabilities Note 26	Rs. 2,775.26 lakhs (net of Provision for doubtful receivables)
Total Equity & Liabilities	Rs. 1,66,153.85 lakhs

Corrected and substituted copy is enclosed vide Annexure-2.

3. PAGE No.70- Inconsistencies in Grouping in Trade receivables -Unsecured, Considered Good for 31st March, 2020 and consequent changes in sub-total and Total (Standalone) as explained above are hereby rectified

As Printed:

13	Trade Receivables	As at March 31, 2020 Rs Lakhs	As at March 31, 2019 Rs Lakhs
	Unsecured, Considered Good	12,310.25	10,896.60
	Doubtful	2,171.69	121.97
		14,481.94	11,018.57
	Less : Allowance for bad & doubtful debts	2,171.69	121.97
	Total	12,310.25	10,896.60

Corrected and substituted as:

13	Trade Receivables	As at March 31, 2020 Rs Lakhs	As at March 31, 2019 Rs Lakhs
	Unsecured, Considered Good	10,260.52	10,896.60
	Doubtful	2,171.69	121.97
		12,432.21	11,018.57
	Less : Allowance for bad & doubtful debts	2,171.69	121.97
	Total	10,260.52	10,896.60

Corrected and substituted copy is enclosed vide Annexure- 3



4. **PAGE No.74 – - As a consequence to the above the following consequential corrections are needed in the schedules to Balance sheet - Changes in ‘other Current Liabilities’ for 31st March, 2020 with consequent changes in Standalone are hereby rectified**

As Printed:

26	Other Liabilities	As at March 31, 2020 Rs Lakhs	As at March 31, 2019 Rs Lakhs
	Creditors for Capital Expenditure	-	102.29
	Other Current Liabilities	3,492.81	1,225.29
	GST Payable	504.47	474.39
	Current Tax (Net of Advance Tax)	-	393.58
	Lease Liability on transition to Ind AS 116	827.71	-
	Total	4,824.99	2,195.55

Corrected and substituted as:

26	Other Liabilities	As at March 31, 2020 Rs Lakhs	As at March 31, 2019 Rs Lakhs
	Creditors for Capital Expenditure	-	102.29
	Other Current Liabilities	1,443.08	1,225.29
	GST Payable	504.47	474.39
	Current Tax (Net of Advance Tax)	-	393.58
	Lease Liability on transition to Ind AS 116	827.71	-
	Total	2,775.26	2,195.55

Corrected and substituted copy is enclosed vide Annexure-4

5. **PAGE No.96- - As a consequence to the above the following consequential corrections are needed in the schedules to Balance sheet of Consolidated financial statements in Page No. 115 and 119 (Consolidated) and is hereby rectified**

As Printed:

Trade Receivables - Note 13	Rs. 12,310.25 lakhs
Total Assets	Rs. 1,67,840.91 lakhs
Other Liabilities - Note 26	Rs. 4,824.99 lakhs
Total Equity & Liabilities	Rs. 1,67,840.91 lakhs

Corrected and substituted as:

Trade Receivables - Note 13	Rs. 10,260.52 lakhs
Total Assets	Rs. 1,65,791.18 lakhs
Other Liabilities - Note 26	Rs. 2,775.26 lakhs
Total Equity & Liabilities	Rs. 1,65,791.18 lakhs

Corrected and substituted copy is enclosed vide Annexure-5



6. **PAGE No.115 - - As a consequence to the above the following consequential corrections are needed in the schedules to Balance sheet - Changes in 'Trade Receivables -Unsecured, Considered Good' for 31st March, 2020 and consequent changes Consolidated are hereby rectified**

As Printed:

13	Trade Receivables	As at March 31, 2020 Rs Lakhs	As at March 31, 2019 Rs Lakhs
	Unsecured, Considered Good	12,310.25	10,896.60
	Doubtful	2,171.69	121.97
		14,481.94	11,018.57
	Less : Allowance for bad & doubtful debts	2,171.69	121.97
	Total	12,310.25	10,896.60

Corrected and substituted as:

13	Trade Receivables	As at March 31, 2020 Rs Lakhs	As at March 31, 2019 Rs Lakhs
	Unsecured, Considered Good	10,260.52	10,896.60
	Doubtful	2,171.69	121.97
		12,432.21	11,018.57
	Less : Allowance for bad & doubtful debts	2,171.69	121.97
	Total	10,260.52	10,896.60

Corrected and substituted copy is enclosed vide Annexure-6

7. **PAGE No.119 - As a consequence to the above the following consequential corrections are needed in the schedules to Balance sheet- Changes in 'other Current Liabilities' as at 31st March, 2020 with consequent changes (Consolidated) are hereby rectified**

As Printed:

26	Other Liabilities	As at March 31, 2020 Rs Lakhs	As at March 31, 2019 Rs Lakhs
	Creditors for Capital Expenditure	-	102.29
	TDS Payable	-	30.15
	Other Current Liabilities	3,492.81	1,225.29
	GST Payable	504.47	474.39
	Current Tax (Net of Advance Tax)	-	393.58
	Lease Liability on transition to Ind AS 116	827.71	-
	Total	4,824.99	2,225.70

**Corrected and substituted as:**

26	Other Liabilities	As at March 31, 2020 Rs Lakhs	As at March 31, 2019 Rs Lakhs
	Creditors for Capital Expenditure	-	102.29
	TDS Payable	-	30.15
	Other Current Liabilities	1,443.08	1,225.29
	GST Payable	504.47	474.39
	Current Tax (Net of Advance Tax)	-	393.58
	Lease Liability on transition to Ind AS 116	827.71	-
	Total	2,775.26	2,225.70

Corrected and substituted copy is enclosed vide Annexure-7

Typographical error and corrections in the note on IND AS 116 (New standard made applicable from the current financial year) on Page 58, 85, 100 and 130

8. Page No. 58 and 100**As Printed:****Ind AS 116, Leases:**

Pursuant to the introduction of Ind AS 116 on leases which is applicable from 01.04.2019, the company shall reassess the lease obligations earlier classified as operating lease to recognize the asset and liability in books. KSPL being a company which have significant lease obligations with GOAP shall provide the impact in books by recognizing "right to use asset" and Lease liabilities along with cumulative adjustment to retained earnings (since the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116). The initial impact is assessed during previous year as Rs.77.28 crores approximately disclosed in Note No.60. The same shall be recomputed taking into the facts of all leases case to case basis from inception to arrive at Right to use asset which will have significant impact on the future profit & loss account which is detailed below. Also, there will be a significant change in the presentation of Balance sheet in assets and liabilities of the company.

Method 1:

Right to Use Asset	Dr.	6,819.01 Lakhs
Retained Earnings	Dr.	10,975.85 Lakhs
Lease Liability	Cr.	17,794.86 Lakhs

Corrected and substituted as:**Ind AS 116, Leases:**

Pursuant to the introduction of Ind AS 116 on leases which is applicable from 01.04.2019, the company shall reassess the lease obligations earlier classified as operating lease to recognize the asset and liability in books. KSPL being a company which have significant lease obligations with GOAP shall provide the impact in books by recognizing "right to use asset" and Lease



liabilities along with cumulative adjustment to retained earnings (since the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116). The impact is assessed and disclosed in Note No.60. The same is recomputed taking into the facts of all leases case to case basis from inception to arrive at Right to use asset which will have significant impact on the future profit & loss account which is detailed below. Also, there will be a significant change in the presentation of Balance sheet in assets and liabilities of the company. Pursuant to implementation of IND AS 116 the following is the impact on assets and liabilities

Right to Use Asset	Rs. 6,819.01 Lakhs
Retained Earnings	Rs. 10,975.85 Lakhs
Lease Liability	Rs. 17,794.86 Lakhs

Corrected and substituted copy is enclosed vide Annexure-8

9. **Page No. 85 and 130 – deletion of matter printed by inadvertence pertaining to implication of IND AS 116**

As Printed:

60. **Ind AS 116 Leases :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of In'd AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019).



Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The company has elected certain available practical expedients on transition. The effect of adoption as on transition date would majorly result in an increase in Right of use asset approximately by ₹77.28 crore and an increase in lease liability approximately by ₹77.28 crore.

Pursuant to the introduction of Ind AS 116 on leases which is applicable from 01.04.2019, the company has reassessed the lease obligations earlier classified as operating lease to recognize the asset and liability in books. KSPL being a company which have significant lease obligations with GOAP has provided the impact in books by recognizing "right to use asset" and Lease liabilities along with cumulative adjustment to retained earnings (since the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116). The same is recomputed taking into the facts of all leases case to case basis from inception to arrive at Right to use asset which will have significant impact on the future profit & loss account which is detailed below. Also, there will be a significant change in the presentation of Balance sheet in assets and liabilities of the company.

Method 1:

Right to Use Asset (Dr)	Rs Lakhs	6,819.01
Retained Earnings (Dr)	Rs Lakhs	10,975.85
Lease Liability (Cr)	Rs Lakhs	17,794.86

This method will have an impact of cumulative increase in profits by 109.76 Crores over the balance period of lease i.e., up to 2049

Corresponding amortisation for Right to Use Asset over 30 years period and Interest on lease liability accounted for as per Ind AS

Corrected and substituted as:

- 60. Ind AS 116 Leases :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of In'd AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.



Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

Pursuant to the introduction of Ind AS 116 on leases which is applicable from 01.04.2019, the company has reassessed the lease obligations earlier classified as operating lease to recognize the asset and liability in books. KSPL being a company which have significant lease obligations with GOAP has provided the impact in books by recognizing "right to use asset" and Lease liabilities along with cumulative adjustment to retained earnings (since the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116). The same is recomputed taking into the facts of all leases case to case basis from inception to arrive at Right to use asset which will have significant impact on the future profit & loss account which is detailed below. Also, there will be a significant change in the presentation of Balance sheet in assets and liabilities of the company.

Right to Use Asset	Rs. 6,819.01 Lakhs
Retained Earnings	Rs. 10,975.85 Lakhs
Lease Liability	Rs. 17,794.86 Lakhs

This method will have an impact of cumulative increase in profits by 109.76 Crores over the balance period of lease ie., up to 2049

Corresponding amortisation for Right to Use Asset over 30 years period and Interest on lease liability accounted for as per Ind AS

Corrected and substituted copy is enclosed vide Annexure-9

For Kakinada Seaports Limited

Vibha Jain

Vibha Jain

Company Secretary

M. No 19304



Date: 12th September, 2020
Place: Hyderabad

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone IND AS financial statements of the Company for the year ended March 31, 2020:

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the fixed assets were to be physically verified by the Management however during the year due to COVID related challenges such as lock downs etc such verification has not been done..

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed and other relevant records evidencing title provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties comprising Lease hold land under lease to company and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, except in the following:

a) Lease hold lands extending to 135.53 acres amounting of Rs. 12629.32 lakhs are in the possession of the company (resulted through reclamation of back up area) in respect of which the execution of lease agreements are pending to be entered with GoAP.

Particulars of lease hold land	Net Block as at March 31, 2020(in Lakhs)	Remarks
Leasehold land at port area (including the land reclaimed by the company)	13,971.25	Lease hold land of 425.17Acres allotted to the company from time to time (Including land reclaimed by the company along with land mentioned in (a) above) is pending registration in the name of the company. However the company has been paying lease rent as demanded by Govt of AP.

KAKINADA SEAPORTS LIMITED
Balance Sheet as at March 31, 2020


Rs. Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
Non Current Assets			
Property , Plant and Equipment	4.1	82,864.42	86,815.03
Right of use Assets	4.1	6,591.71	-
Capital Work in Progress	4.2	21,784.52	11,090.45
Intangible Assets	5	18.12	38.09
Financial Assets			
Investments	6	13,564.27	10,479.36
Loans	7	333.27	333.27
Other Financial Assets	8	133.86	113.36
Deferred Tax Assets (net)	9	1,794.47	2,412.58
Other Assets	10	36.62	3,931.50
		1,27,121.26	1,15,213.64
Deferred Tax Assets (net)			
Current Assets			
Inventories	11	242.74	393.47
Financial Assets			
Investments	12	-	-
Trade Receivables	13	10,260.52	10,896.60
Cash and Cash Equivalents	14	3,068.19	8,704.03
Other Loans and Advances	15	20,872.24	13,835.63
Other Financial Assets	16	1,327.47	350.32
Other Assets	17	3,261.43	71.29
		39,032.59	34,251.34
TOTAL ASSETS		1,66,153.85	1,49,464.98
II EQUITY & LIABILITIES			
Equity			
Equity Share Capital	18	5,241.22	5,241.22
Other Equity	19	1,08,865.16	1,06,020.54
		1,14,106.38	1,11,261.76
Non Current Liabilities			
Financial Liabilities			
Borrowings	20	16,539.29	22,826.78
Other Financial Liabilities	21	376.48	321.84
Other Non-Current Liabilities	22	18,513.73	898.72
Provisions	23	182.42	59.47
		35,611.92	24,106.81
Current Liabilities			
Financial Liabilities			
Borrowings	24	-	-
Trade Payables			
Due to micro enterprises and small enterprises		8.10	-
Due to others		4,986.28	3,722.52
Other Financial Liabilities	25	8,574.95	7,028.16
Other Liabilities	26	2,775.26	2,195.55
Provisions	27	90.96	1,150.18
		16,435.55	14,096.41
TOTAL EQUITY & LIABILITIES		1,66,153.85	1,49,464.98

Summary of Significant Accounting Policies

2.1

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

R.B.ASSOCIATES
Chartered Accountants
Firm Registration No. 009112S

For and on behalf of the Board of Directors of
KAKINADA SEAPORTS LIMITED

K Ramesh Babu
Partner
Membership No 028304

K.Navatha
Director
DIN - 00782691

P.V.S.Murthy
Director
DIN - 06500081

K.V. Sekhara Rao
CFO

Vibha Jain
Company Secretary
Membership No.19304

Place: Hyderabad
Date: 18th Aug, 2020

Place: Hyderabad
Date: 18th Aug, 2020

KAKINADA SEAPORTS LIMITED
Notes to the financial Statements as on March 31, 2020

	As at March 31, 2020	As at March 31, 2019
	Rs. Lakhs	Rs. Lakhs
7 Loans		
Security Deposit		
Unsecured, Considered Good	333.27	333.27
Total	333.27	333.27
8 Other Financial Assets		
Financial Asset	119.70	100.06
Bank Deposits	14.16	13.30
Total	133.86	113.36
9 Deferred Tax Assets (Net)		
Minimum Alternative Tax Credit Entitlement (Refer Note 50)	6,893.77	8,452.99
Deferred Tax Liability (Net)	(5,099.30)	(6,040.41)
Total	1,794.47	2,412.58
10 Other Assets		
Capital Advances	36.62	3,931.50
Advance Tax (Net of Provision for Tax)	-	-
Total	36.62	3,931.50
11 Inventories		
(At lower of cost and net realisable value unless otherwise stated)		
Consumables, Stores and Spares	242.74	393.47
	242.74	393.47
12 Current Investments		
Investment in Mutual Funds	-	-
	-	-
13 Trade Receivables		
Unsecured, Considered Good	10,260.52	10,896.60
Doubtful	2,171.69	121.97
	12,432.21	11,018.57
Less : Allowance for bad & doubtful debts	2,171.69	121.97
Total	10,260.52	10,896.60
14 Cash and Cash Equivalents		
Balances with Banks		
- Current Accounts	2,966.58	8,143.33
- Port Dues Current Accounts*	-	203.35
Cheques, Drafts on hand	101.61	357.35
Cash on Hand	-	-
	3,068.19	8,704.03
Other Bank Balances		
Deposit Accounts - Port Dues Account*	-	-
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	-	-
	3,068.19	8,704.03

*Port Dues Account balances represents designated fund meant to be utilised in a specified manner for stipulated purposes as per concession agreement, and not available otherwise

KAKINADA SEAPORTS LIMITED
Notes to the financial Statements as on March 31, 2020



	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
21 Other Financial Liabilities		
Security Deposits Received from Customers	333.69	244.86
Deferred Revenue	42.80	76.99
	376.48	321.84
	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
22 Other Non-Current Liabilities		
Deferred Income - Govt grant (Refer note 58 and note (i) below)	93.73	105.71
Financial Guarantee Liability	683.06	793.01
Lease Liability on transition to Ind AS 116*	17,736.94	-
	18,513.73	898.72
Notes:		
(i) Movement in Government Grant (Rs. in lakhs)		
Particulars	March 31, 2020	March 31, 2019
Government Grant Received	105.71	117.70
Less: Amortisation during the year	11.99	11.99
	93.72	105.71
Closing Balance		
* Refer Note No.60 to standalone financial statements on Ind AS 116- Leases		
23 Provisions		
Provision for Compensated absences (Unfunded)	109.61	59.47
Net Defined benefit Liability (funded)	72.81	-
	182.42	59.47
24 Working Capital Loan Secured		
From Axis Bank	-	-
Total	-	-
25 Other Financial Liabilities		
Current maturities of long term borrowings (Refer Note No. 20)	5,349.57	5,349.57
Port Dues Balance (Net)	-	203.35
Contractors retention Money	70.07	102.22
Security Deposits from Customers	3,155.31	1,373.02
	8,574.95	7,028.16
26 Other Liabilities		
Creditors for Capital Expenditure	-	102.29
Other Current Liabilities	1,443.08	1,225.29
GST Payable	504.47	474.39
Current Tax (Net of Advance Tax)	-	393.58
Lease Liability on transition to Ind AS 116	827.71	-
	2,775.26	2,195.55
27 Provisions		
Other Employee benefits payable	64.83	1,150.18
Net Defined benefit Liability (funded)	26.13	-
Proposed Dividend	-	-
Provision for Dividend distribution tax	-	-
Provision for Income Tax (Net of Advance Taxes)	-	-
	90.96	1,150.18

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KAKINADA SEAPORTS LIMITED
Consolidated Balance Sheet as at March 31, 2020


Rs Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
Non Current Assets			
Property , Plant and Equipment	4.1	82,885.71	86,836.33
Right of use Assets	4.1	6,591.72	0.00
Capital Work in Progress	4.2	21,657.12	19,568.01
Intangible Assets	5	18.11	38.09
Financial Assets			
Investments	6	13,242.46	6,667.25
Loans	7	333.27	333.27
Other Financial Assets	8	133.86	113.36
Deferred Tax Assets (net)	9	1,794.47	2,412.76
Other Assets	10	46.96	6,459.36
		1,26,703.68	1,22,428.43
Current Assets			
Inventories	11	242.74	393.47
Financial Assets			
Investments	12	-	-
Trade Receivables	13	10,260.52	10,896.60
Cash and Cash Equivalents	14	3,123.10	9,536.99
Other Loans and Advances	15	20,872.24	13,835.63
Other Financial Assets	16	1,327.47	350.32
Other Assets	17	3,261.43	73.54
		39,087.50	35,086.55
TOTAL ASSETS		1,65,791.18	1,57,514.98
II EQUITY & LIABILITIES			
Equity			
Equity Share Capital	18	5,241.22	5,241.22
Other Equity	19	1,08,502.41	1,05,924.80
		1,13,743.63	1,11,166.02
Non Current Liabilities			
Financial Liabilities			
Borrowings	20	16,539.29	29,544.38
Other Financial Liabilities	21	376.48	321.84
Other Non-Current Liabilities	22	18,513.73	502.70
Provisions	23	182.42	59.47
		35,611.92	30,428.39
Current Liabilities			
Financial Liabilities			
Borrowings	24	-	-
Trade Payables			
Due to micro enterprises and small enterprises		8.10	-
Due to others		4,986.36	5,516.51
Other Financial Liabilities	25	8,574.95	7,028.16
Other Liabilities	26	2,775.26	2,225.70
Provisions	27	90.96	1,150.20
		16,435.63	15,920.57
TOTAL EQUITY & LIABILITIES		1,65,791.18	1,57,514.98

Summary of Significant Accounting Policies

2.1

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

R.B.ASSOCIATES**Chartered Accountants**

Firm Registration No. 009112S

For and on behalf of the Board of Directors of
KAKINADA SEAPORTS LIMITED

K Ramesh Babu

Partner

Membership No.028304

K.Navatha

Director

DIN - 00782691

P.V.S.Murthy

Director

DIN - 06500081

K.V. Sekhara Rao

CFO

Vibha JainCompany Secretary
Membership No.19304

Place: Hyderabad

Date: 18th Aug, 2020

Place: Hyderabad

Date: 18th Aug, 2020

KAKINADA SEAPORTS LIMITED
Notes to Consolidated Financial Statements as on March 31,2020

	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
7 Loans		
Security Deposit		
Unsecured, Considered Good	333.27	333.27
Total	333.27	333.27
8 Other Financial Assets		
Financial Asset	119.70	100.06
Bank Deposits	14.16	13.30
Total	133.86	113.36
9 Deferred Tax Assets (Net)		
Minimum Alternative Tax Credit Entitlement (Refer Note 50)	6,893.77	8,452.99
Deferred Tax Liability (Net)	(5,099.30)	(6,040.23)
Total	1,794.47	2,412.76
10 Other Assets		
Capital Advances	36.63	6,308.42
Advance Tax (Net of Provision for Tax)	-	-
GST Input Credit	-	150.94
Miscellaneous/Preliminary Expenditure to the Extent not written off	10.33	-
Total	46.96	6,459.36
11 Inventories (At lower of cost and net realisable value unless otherwise stated)		
Consumables, Stores and Spares	242.74	393.47
	242.74	393.47
12 Current Investments		
Investment in Mutual Funds	-	-
	-	-
13 Trade Receivables		
Unsecured, Considered Good	10,260.52	10,896.60
Doubtful	2,171.69	121.97
	12,432.21	11,018.57
Less : Allowance for bad & doubtful debts	2,171.69	121.97
Total	10,260.52	10,896.60
14 Cash and Cash Equivalents		
Balances with Banks		
- Current Accounts	3,021.49	8,820.78
- Port Dues Current Accounts*	-	203.35
Cheques, Drafts on hand	101.61	357.35
Cash on Hand	-	-
	3,123.10	9,381.48
Other Bank Balances		
Deposit Accounts - Port Dues Account*	-	-
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	-	155.51
	-	155.51
	3,123.10	9,536.99

*Port Dues Account balances represents designated fund meant to be utilised in a specified manner for stipulated purposes as per concession agreement, and not available otherwise

KAKINADA SEAPORTS LIMITED
Notes to Consolidated Financial Statements as on March 31, 2020

	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
21 Other Financial Liabilities		
Security Deposits Received from Customers	333.69	244.86
Deferred Revenue	42.79	76.98
	376.48	321.84

	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
22 Other Non-Current Liabilities		
Deferred Income - Govt grant (Refer note 58 and note (i) below)	93.73	105.71
Contractors Retention Money	683.06	396.99
Lease Obligations Payable including Lease Liability on transition to Ind AS 116*	17,736.94	-
Inter Corporate Deposits	-	-
	18,513.73	502.70

* Refer Note No.60 on Ind AS 116- Leases

Notes:

(i) Movement in Government Grant (Rs. in lakhs)

Particulars	March 31, 2019	March 31, 2019
Government Grant Received	105.71	117.70
Less: Amortisation during the year	11.99	11.99
Closing Balance	93.72	105.71

23 Provisions

Provision for Compensated absences (Unfunded)	109.61	59.47
Net Defined benefit Liability (funded)	72.81	-
	182.42	59.47

24 Working Capital Loan Secured

	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
From Axis Bank	-	-
Total	-	-

25 Other Financial Liabilities

Current maturities of long term borrowings (Refer Note No. 20)	5,349.57	5,349.57
Port Dues Balance (Net)	-	203.35
Contractors retention Money	70.07	102.22
Security Deposits from Customers	3,155.31	1,373.02
	8,574.95	7,028.16

26 Other Liabilities

Creditors for Capital Expenditure	-	102.29
TDS Payable	-	30.15
Other Current Liabilities	1,443.08	1,225.29
GST Payable	504.47	474.39
Current Tax (Net of Advance Tax)	-	393.58
Lease Obligations Payable	827.71	-
	2,775.26	2,225.70

27 Provisions

Other Employee benefits payable	64.83	1,150.20
Net Defined benefit Liability (funded)	26.13	-
Proposed Dividend	-	-
Provision for Dividend distribution tax	-	-
Provision for Income Tax (Net of Advance Taxes)	-	-
	90.96	1,150.20

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Kakinada Seaports Limited
Notes to standalone financial statements for the year ended March 31, 2020
Ind AS 116, Leases:

Pursuant to the introduction of Ind AS 116 on leases which is applicable from 01.04.2019, the company shall reassess the lease obligations earlier classified as operating lease to recognize the asset and liability in books. KSPL being a company which have significant lease obligations with GOAP shall provide the impact in books by recognizing "right to use asset" and Lease liabilities along with cumulative adjustment to retained earnings (since the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116). The impact is assessed and disclosed in Note No.60. The same is recomputed taking into the facts of all leases case to case basis from inception to arrive at Right to use asset which will have significant impact on the future profit & loss account which is detailed below. Also, there will be a significant change in the presentation of Balance sheet in assets and liabilities of the company. Pursuant to implementation of IND AS 116 the following is the impact on assets and liabilities.

Right to Use Asset	Rs. 6,819.01 Lakhs
Retained Earnings	Rs. 10,975.85 Lakhs
Lease Liability	Rs. 17,794.86 Lakhs

This method will have an impact of cumulative increase in profits by 109.76 Crores over the balance period of lease ie., up to 2049

Amendment to Ind AS 12 'Income Taxes':

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes' with effect from April 1, 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 19 'Employee Benefits':

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019, the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

Kakinada Seaports Limited
Notes to Consolidated financial statements for the year ended March 31, 2020



Ind AS 116, Leases:

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57 Notwithstanding a favourable order by CESTAT in the matter relating to levy of Service Tax on the revenue share, the Service Tax department had issued a show cause notice for the subsequent Financial Year (13-14) amounting to Rs.979 Lakhs contemplating the reversal of Input Credit Entitlement to that extent. The matter have been decisively concluded in favour of the Company and pending adjudication of reply filed as regards to show cause notice, no adjustments have been made to the CENVAT Credit entitlement.

58 Other Non-Current liabilities includes an amount of Rs. 93.73 Lakhs (Previous Year Rs.105.71 Lakhs) being subsidy received from the Govt of India against installation of oil spillage control equipment at port. The subsidy referred above is recognised as deferred income and will be amortised in the statement of Profit & Loss A/c over the expected useful life of the related asset.

59 Disclosures required under Sec 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises

There are 3 (Three) Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2020 amounting to Rs.8.10 lakhs (Previous Year Nil) . This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company and has been relied upon by the auditors.

The principal amount and the interest due thereon remaining unpaid to the supplier till the appointed date: Rs. 2.50 Lakhs*

The amount of interest paid by the buyer on account of delayed payments: NIL

The principal amount and interest due beyond the appointed date for the period of delay: Rs. 2.50 Lakhs

The amount of interest accrued and remained unpaid at the end of each year: NIL

The amount of further interests: NIL

Remaining due and payable even in succeeding years, until such date when the interest due is actually paid to the MSMEs.: NIL

*With held as per contract terms

60 Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

Pursuant to the introduction of Ind AS 116 on leases which is applicable from 01.04.2019, the company has reassessed the lease obligations earlier classified as operating lease to recognize the asset and liability in books. KSPL being a company which have significant lease obligations with GOAP has provided the impact in books by recognizing "right to use asset" and Lease liabilities along with cumulative adjustment to retained earnings (since the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116). The same is recomputed taking into the facts of all leases case to case basis from inception to arrive at Right to use asset which will have significant impact on the future profit & loss account which is detailed below. Also, there will be a significant change in the presentation of Balance sheet in assets and liabilities of the company.

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This method will have an impact of cumulative increase in profits by 109.76 Crores over the balance period of lease ie., up to 2049

Corresponding amortisation for Right to Use Asset over 30 years period and Interest on lease liability accounted for as per Ind AS

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This method will have an impact of cumulative increase in profits by 109.76 Crores over the balance period of lease i.e., up to 2049

Corresponding amortisation for Right to Use Asset over 30 years period and Interest on lease liability accounted for as per Ind AS

61 During the year the company has entered into Port Services Agreement with East Coast Concessions Private Limited (EPCL) dated 5th September 2019 for development of LNG re-gasification terminal and to provide end to end Natural Gas solutions including LNG sourcing, re-gasification facilities and downstream deliveries. Kakinada Seaports Limited (KSPL) agreed to grant EPCL the right to set up LNG facilities within the port and marine service in connection with setting up, operations and maintenance of LNG facilities at the port, directly or through its authorized service providers. As per the terms of agreement the company has agreed to sub lease the project land "comprising of water front plot admeasuring approximately 90 acres area forming part of the Port adjacent to LNG Jetty, Berth 9 and Berth 10". Development of land in back-up areas from Berth No 7 onwards including the Project Land is under progress and the cost incurred for development of land up to 31st March 2020 for aforesaid backup areas amounting to Rs. 19,479.40 lakhs is shown under Capital Work in Progress.