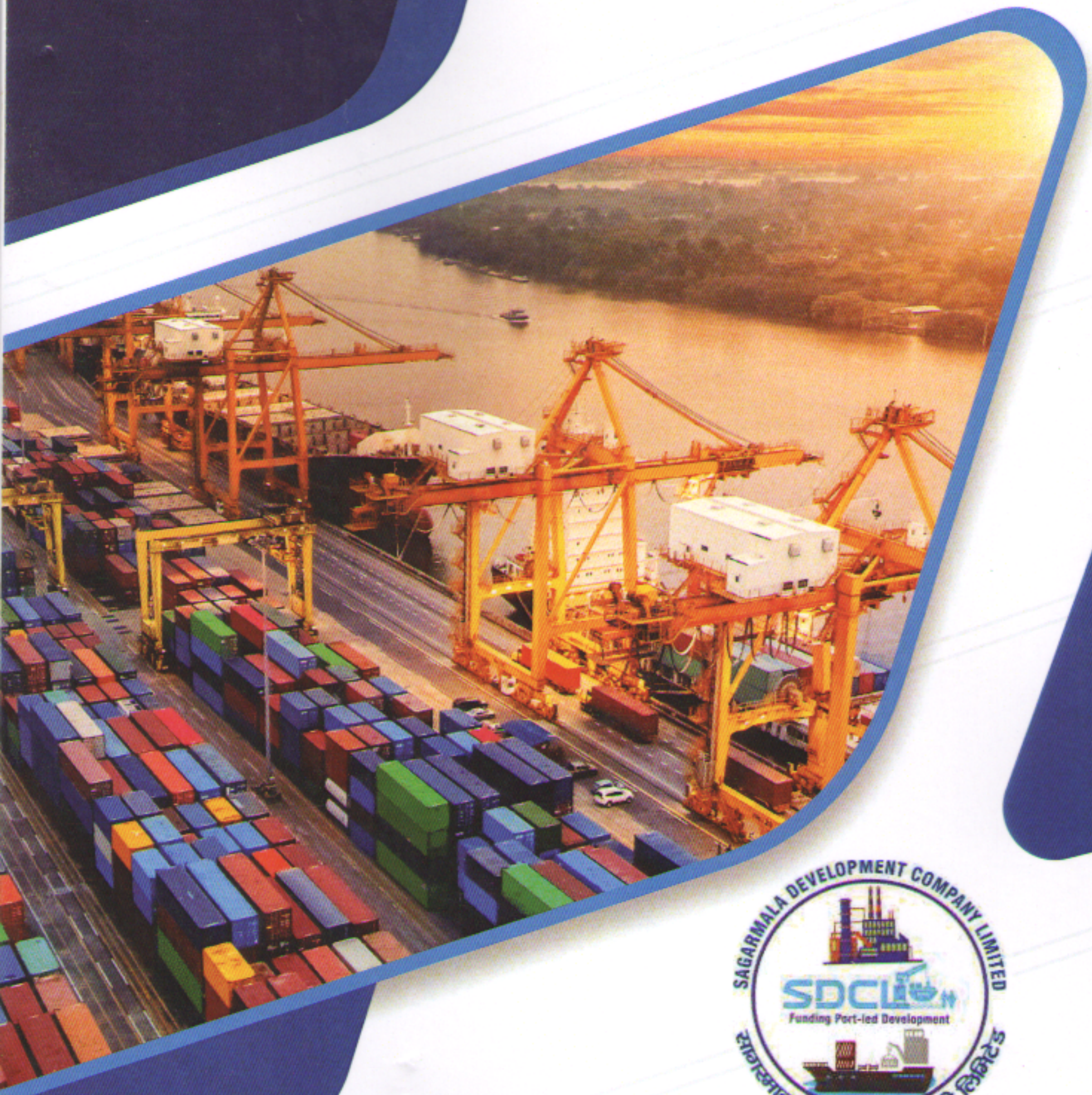

ANNUAL REPORT 2020-2021

Sagarmala Development Company Limited

(A Government of India Enterprise)

CIN No. U74999DL2016GOI305194

About SDCL

The Sagarmala Development Company Limited (SDCL) has been incorporated on 31st August, 2016 under the Companies Act, 2013, after obtaining approval of the Union Cabinet on 20th July, 2016. SDCL has been set up under the administrative control of Ministry of Ports, Shipping & Waterways with an initial Authorized Share Capital of INR 1,000 crore and a subscribed share capital of INR 90 crore. SDCL will provide equity support for the project Special Purpose Vehicles (SPVs) set up by the Ports / State / Central Ministries and funding window and /or implement only those residual projects which cannot be funded by any other means / mode.

BACKGROUND & OBJECTIVES

India is richly endowed with natural maritime advantages over a coastline of 7,500 km across 13 states and union territories. The country has a strategic location on key international trade routes with 14,500 km of navigable and potentially navigable waterways. Maritime logistics has always been an important component of the Indian economy, accounting for 90% of EXIM trade by volume and 72% by value.

The Sagarmala Programme is an ambitious, massive and flagship programme of Government of India to advance India's economic development by harnessing the potential of its coastline and rivers. This will help to overcome the challenges confronting the country's logistics sector, and could help make it competitive with other leading emerging economies.

The logistics system in India falls short of international standards in terms of cost, efficiency, sustainability and safety. Poor logistics drive up the cost of doing business and of goods and services in the Indian economy. For example, coal transportation alone might make up 30-35% of the total cost of power produced for power plants in the hinterland, over 1,000 km from the coal mines Long and variable lead times force shippers to hold higher inventories to compensate for uncertainty in transit times. The environmental footprint of the existing logistics system is extremely high given the heavy reliance on carbon-intensive transportation modes such as roads. Safety is another major concern, with around 175,000 estimated total deaths annually on roads and railways in India.

While the development of logistics infrastructure has progressed substantially in India over the past decade, the sector suffers from several structural challenges.

1) Skewed railway tariff structure for goods results in a preference for road transport even over longer lead distances.
2) Existing infrastructure bottlenecks do not allow for adopting the most efficient modes and routes. For example, the lack of adequate road and rail connectivity to ports results in underutilized port capacity; the lack of multimodal logistics facilities hinders smooth intermodal transfer; industrial clusters in hinterland states face delays and cargo evacuation times to ports vary significantly.
3) Manual & cumbersome processes and regulations (e.g. manual creation of transit passes) add to delays in transportation.
4) The variable quality of road infrastructure and choke points result in average road speeds of 20 km per hour. Trucks move only 200 to 250 km in a day, increasing lead times.
5) Industrial planning is not linked to port infrastructure. The siting and master planning of industrial clusters and zones (often with high EXIM content) has not been done keeping in mind proximity to ports. For example, export containers in India travel 4 to 5 times the distance between production centres and ports compared to that in China.

The government of India conceptualized Sagarmala to address the challenges and capture the opportunity of port-led development comprehensively and holistically. Sagarmala is a national program aimed at accelerating India's economic development by harnessing the potential of its coastline and rivers. Sagarmala was first articulated in 2003 by then Prime Minister Shri Atal Bihari Vajpayee, and announced by the Prime Minister Shri Narendra Modi in 2014. It was approved by the Union Cabinet in March 2015. Under Sagarmala, a national perspective plan (NPP) was prepared by the Ministry of Ports, Shipping & Waterways (MoPSW) and lunched by the Prime Minister in the country's first ever Maritime India Summit 2016.

THE SAGARMALA VISION

The Sagarmala programme aims to reduce logistics cost for both domestic and EXIM cargo with minimal infrastructure investment. Studies under Sagarmala have identified opportunities to reduce overall logistics costs that could improve the overall efficiency of the economy and increase the competitiveness of India's exports.

Based on the studies, Sagarmala can aspire to reduce logistics costs for EXIM and domestic cargo, overall saving 35,000 to 40,000 cr per annum. Some of this will be direct cost savings,

while others will come from cuts in inventory handling costs due to the time (and reduced variability) for transportation of goods, particularly containers. These cost savings apply to current industrial capacities as well as future coast-proximate capacities for energy, material, marine and discrete industries that could come up through port-linked industrialization.

Four main strategies have been identified for achieving the overall vision of logistics cost reduction.

i) Reducing cost of domestic cargo through optimizing modal mix
ii) Optimizing time / cost of EXIM container movement
iii) Lowering logistics cost of bulk commodities by locating future industrial capacities near the coast
iv) Improving export competitiveness by developing port proximate discrete manufacturing clusters

Your company Sagarmala Development Limited (SDCL) was incorporated on 31st August, 2016 under the companies Act, 2013 under Sagarmala initiative by Ministry of Shipping with authorized share capital of INR 1000 crore and subscribed share capital of INR 90 crore.

SDCL has the following key objectives:

a) Develop and formulate projects emanating from the National Perspective Plan (NPP) and assist the SPVs set up by Central Line Ministries / State Governments/ State Maritime Boards / Ports etc. for project implementation.
    i. Align its projects with other initiatives of the Government of India such as the industrial corridor and other initiatives of the Government of India in order to achieve synergy and assist in implementation of Projects wherever possible.
    ii. Set up port based Special Economic Zones / Free Trade Warehousing Zones and offering efficient and seamless evacuation of cargo for both EXIM and domestic sectors and hence providing better integrated connectivity and streamlining interdepartmental coordination in ports in India to promote seamless and efficient interface for trade in order to fully integrate the coastline of India and enable ports to become drivers of port-led economic development.

b) Provide funding window for residual projects that cannot be funded by any other means / mode; Residual projects would include important/ pilot/ path breaking projects with high Economic internal Rate of Return (EIRR) but low Financial Internal Rate of Return (FIRR).

c) Prepare the Detailed Master Plans for the Coastal Economic Zones (CEZs) identified within a period of two years.

d) Manage the community Development Fund (CDF) for providing grants to coastal community development projects considered under Sagarmala.

Prepare a coherent development strategy for optimum development of the port sector in India, conceptualize, promote, finance, procure financing for, implement and expedite projects which promote port-led industrialization/ urbanization/ development and create economic activity hubs along the coast with the participation of coastal communities.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman	**Dr. Sanjeev Ranjan**
	(Secretary, Ministry of Ports, Shipping & Waterways)
	DIN: 02977371
	(From 1st May, 2020)
Managing Director	**Shri Dilip Kumar Gupta**
	DIN: 08203085
	(From 5th September, 2018)
Directors	**Shri Bhushan Kumar**
	DIN: 08878688
	(From 16th June, 2020)
	Shri Vikram Singh
	(From 26th November, 2020)
Independent Directors	**Shri Yogeshbhai Jentibhai Badani**
	DIN: 09416254
	(From 10th December, 2021)
	Dr. Rachana Agarwal
	DIN: 09416234
	(From 10th December, 2021)
Company Secretary	**Shri Dal Veer Singh**
	M. No. A19261
	(From 7th May, 2018)
Registered Office	1st Floor, Thapar House, Gate No.-2, 124 Janpath
	New Delhi-110001

Statutory Auditors	Deepender Anil & Associates
Secretarial Auditors	M/s VAPN & Associates
Banker	Canara Bank, Transport Bhawan, New Delhi
	Punjab National Bank, Parliament Street,
	New Delhi

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Chairman's Message

Dear Shareholders,

On behalf of the Board of Directors of Sagarmala Development Company Limited (SDCL), I welcome you all to the 5th Annual General Meeting of your Company. I am pleased to place before our esteemed shareholders, the 5th Annual Report of the Company for the financial period ended on 31st March, 2021.

SDCL's Operations

In the fifth year of its operations, your company has earned a total revenue of INR 5.94 Crore and profit before tax amount to INR 1.22 Crore.

The paid-up share capital of the Company was further increased on 29th December, 2020 from 540 Crore to Rs. 610 Crores.

During the financial year 2020-21, your Company has invested Rs. 52.28 Crore in equity shares of Haridaspur Paradip Railway Company Limited (HPRCL).

Sagarmala Programme and SDCL's Achievements

Sagarmala programme is the flagship programme of MoPSW to promote port led development in the country through harnessing India's 7500 Km long coast line, 14500 Km of potentially navigable waterways and strategic location on key international maritime trade routes. Under Sagarmala Programme, 500 projects at an estimated investment of more than Rs. 3.35 lakh crores have been identified for implementation up to 2035.

Since its inception, your company has identified a few SPVs for equity investment in line with Sagarmala objectives. It has so far provided an equity support of Rs. 536.78 crore to 5 projects to improve port connectivity and development of Chabahar Port in Iran. All the five projects have been commissioned.

Way Forward

MoPSW, GoI has taken several initiatives to develop maritime sector which inter alia include structural reforms, capacity augmentation, modernisation of existing infrastructure, rationalisation of existing policies in Indian Maritime sector and introduction of incentives to attract investors to the Maritime sector, etc.

Keeping in view future prospects of Maritime sector and huge financing required to realise the Maritime India Vision 2030, your company has proposed a business diversification plan i.e., to provide financial assistance to maritime projects and for acquisition of maritime floating assets by way of debt financing and financial leasing beside equity support. The business diversification plan is under the process of approval from appropriate authorities.

Further to promote coastal shipping and water tourism, MoPSW has entrusted the responsibility to facilitate the operationlisation of RO–RO, RO-PAX and Seaplane at selective inland water ways development of product specific warehouses at various ports and alongside Inland Waterways under PPP model to your Company.

In order to encourage the coastal shipping, your company is exploring the possibility for creating a coastal cargo facility centre through an e-Platform to be managed by your Company by integrating the major players in coastal shipping and SDCL is developing e-platform with IPA which is creating National Logistic Portal (NLP). This E-platform will combined with NLP and Coastal Cargo Facility Centre will be created with the help of MoPSW to give major boost to coastal shipping.

Acknowledgements

I would like to express my gratitude to the Government of India for its support to your Company. I wish to thank the Hon'ble Minister of Ports, Shipping & Waterways, Shri Sarbananda Sonowal, Hon'ble Minister of State Shri Shripad Naik and Hon'ble Minister of State Shri Shantanu Thakur for leading the growth of India's maritime sector and for providing his kind support to your company.

My sincere thanks are also due to the other officials of the Administrative Ministry, other Ministries and Departments of the Government of India. I also wish to express my deep sense of gratitude to all the shareholders, stakeholders, my colleagues on the Board of Directors for their support.

DR. SANJEEV RANJAN
Chairman & Director

NOTICE OF 5TH ANNUAL AGENERAL MEETING

Notice is hereby given that 5th Annual General Meeting of the company shall be held at a shorter notice on 28th, Tuesday of December, 2021at 11:45 AM at Secretary Office, Room No. 401, Transport Bhawan, Parliament Street, New Delhi-110001 to transact the following business.

Ordinary business

1. To receive, consider and adopt the audited standalone as well as consolidated accounts of the company for the financial period ended on 31st March, 2021 together with the reports of Directors, Auditors and comments of the Comptroller & Auditor General of India thereon.
2. To consider and declare final dividend on equity shares of the company, if any.

By order of the Board
For Sagarmala Development Company Limited

Date: 28-12-2021
Place: New Delhi

Dal Veer Singh
Company Secretary
M. No. A19261

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. WHEN A MEMBER APPOINTS A PROXY AND BOTH THE MEMBER AND PROXY ATTEND THE MEETING, THE PROXY STANDS AUTOMATICALLY REVOKED.
3. MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY ANY CHANGE IN THEIR ADDRESSES TO THE COMPANY AT ITS REGISTERED OFFICE.
4. MEMBERS / PROXIES ATTENDING THE MEETING ARE REQUESTED TO BRING THE ATTENDANCE SLIP DULY FILLED IN AND THEIR COPY OF ANNUAL REPORT FOR REFERENCE AT THE MEETING. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
5. PURSUANT TO SECTION 139(5) OF THE COMPANIES ACT, 2013, THE AUDITORS OF A GOVERNMENT COMPANY ARE APPOINTED/REAPPOINTED BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA (C&AG).
6. PROVISIONS OF COMPANIES ACT, 2013-EXEMTION TO SECTION 196 (2), (4) & (5), EXEMPTION FROM CERTAIN PROVISIONS OF SCHEDULE IV OF THE COMPANIES ACT, 2013. APPOINTMENT OF THE DIRECTORS OF THE COMPANY IS DONE BY ADMINISTRATIVE MINISTRY.

THE DIRECTORS' REPORT

To,

The Members
Sagarmala Development Company Limited,
First Floor, Thapar House,
Gate No-2, 124 Janpath,
New Delhi-110001

Your Directors take pleasure in presenting the fifth Directors' Report of your company for the financial period ended on March 31st, 2021

1. STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS & RESULTS

The company's standalone performance from 1st April, 2020 to the period ended March 31st 2021 is tabulated below:

Particulars	2020-21 (in Lakh)	2019-20 (in Lakh)
Total Revenue	593.72	1389.59
Total Expenses	471.71	494.91
Net Profit / (Loss) before Tax	122.01	894.68
Provision for Taxation	22.16	214.50
Deferred tax Expense	11.68	13.18
Profit/ (Loss) for the Period after Tax	88.17	667.00
EPS	0.01	0.15

Total revenue of company comprises of interest on fixed deposits with banks. Revenue for the year 2020-21 has declined to Rs. 593.72 lakhs from Rs. 1389.59 lakhs in 2019-20 due to decrease in amount of deposits consequent upon investment of Rs. 5228 lakhs in the equity capital of HPRCL during the year 2020-21. Further reduction in interest rates on deposits by banks has also led to decrease in interest income on deposits.

Further, there is a book loss of Rs. 3960 lakhs due to valuation of investment made by SDCL in Calcatta-Haldia Port Road Company Limited.

The company's consolidated performance from 1st April, 2020 to the period ended March 31st 2021 is tabulated below:

Particulars	2020-21 (in Lakh)	2019-20 (in Lakh)
Total Revenue	1509.21	2344.19

Total Expenses	1627.85	1613.37
Net Profit / (Loss) before Tax	118.64	730.82
Provision for Taxation	22.16	214.50
Deferred tax Expense	13.71	10.94
Profit/ (Loss) for the Period after Tax	(7751.32)	(429.80)
EPS	-0.64	-0.11

2. SHARE CAPITAL

The entire paid up capital of the Company amounting to Rs. 610 crore continues to be held by the President of India and his nominees.

Company has Issued 7,00,00,000 Equity Shares of face value of Rs.10/- each to the existing Shareholder of entire Share Capital to The President of India, acting through Ministry of Ports, Shipping & Waterways. Accordingly, the number of equity shares issued by the Company stands changed from 54,00,00,000 shares of Rs.10/- each to 61,00,00,000 shares of Rs.10/- each.

3. PERFORMANCE & OPERATIONS

During the review period, the company has made an investment in equity shares of Rs. 52.28 crores in HPRCL. HPRCL is a port connectivity project through rail network and connecting Paradip Port Trust to Haridaspur. The rail line has become operational from July, 2020 and presently approx. 20-22 goods trains are running on daily basis.

SDCL has not yet started earning operational income. However, during the year 2020-21 company has earned revenue from other income of Rs. 5.94 crore and profit before tax of Rs. 1.22 crore.

4. DIVIDEND

The company has not proposed any dividend for the financial period 2020-21 as operational income of the company is yet to start.

5. TRANSFER OF PROFIT TO RESERVE

Company has not transferred any amount to any reserve during the year 2020-21.

6. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

1. M/s India Ports Global Limited (Wholly Owned Subsidiary Company): Incurred a loss of Rs. 1.25 Crore.
2. M/s Krishnapatnam Railway Company Limited (Associate Company): Incurred a loss of Rs. 48.59 Crore
3. M/s Calcatta-Haldia Port Road Company Limited (acquired more than 10.38% equity shares): Incurred a loss of Rs. 32.06 Crore.
4. M/s Haridaspur Paradip Railway Company Limited (Associate Company): Earned a profit of Rs. 0.49 Crore.
5. M.s Vishakhapatnam Port Road Company Limited (Associate Company): Earned a profit of Rs. 6.30 lakhs

7. DETAILS OF DEPOSIT COVERED UNDER CHAPTER V OF THE ACT

The Company did not accept any public deposits within the purview of provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the period.

a. Accepted during the year – NIL
b. Remined unpaid or unclaimed as at the end of the year – NIL
c. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved – NIL
    i. At the beginning of the year; NIL
    ii. Maximum during the year; NIL
    iii. At the end of the year; NIL
    iv. The details of deposits which are not in compliance with the requirements of Chapter V of the Act. Not Applicable

Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Companies Act, 2013 or the details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

A. Conservation of Energy

(i) The steps taken or impact on conservation of energy;

The operations of the Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy i.e. use of LED bulbs in registered office of the company.

(ii) The steps taken by the company for utilising alternate sources of energy;

Not applicable in view of the nature of activities carried out by the Company.

(iii) The capital investment on energy conservation equipment;

Not applicable in view of the nature of activities carried out by the company.

B. Technology Absorption

(i) The efforts made towards technology absorption;

SDCL being an investment company, hence, this clause is not applicable for the company.

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

NA

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-NA

(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. NIL

C. Foreign Exchange Earnings and Outgo

S. No.	Particulars	Amount (In Rupees)
1.	Actual Foreign Exchange Earnings	NIL
2.	Actual Foreign Exchange Outgo	NIL

9. EXTRACT OF ANNUAL RETURN AS PROVIDED UNDER SECTION 92(3) IN FORM NO. MGT-9

Pursuant to provisions of Section 134(4) (a) of the Companies Act, 2013, Extract of Annual Return for the financial period ended 31st March, 2021 made under the provisions of Section 92 (3) of the Companies Act, 2013 is annexed as "**Annexure B**" and forms part of this report.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Section 186 of the Companies Act 2013 is not applicable to the company vide notification no. GSR 463 (E) dated 05th June 2015. However, company has made following investments till date in the form of equity:

Sr. No.	Name of Company	FY of Investment	Investment in Rs.	No. of equity shares acquired
1	Krishnapatnam Railway Company Limited	2018-19	1,25,00,00,000/-	125000000
2	India Ports Global Limited	2018-19	10,00,00,000/-	10000000
3	Haridaspur Paradip Railway Company Limited	2019-20 & 2020-21	3,36,78,80,580/-	336788058
4	Calcatta-Haldia Port Road Company Limited	2015-16#	50,00,00,000/-	20000000
5	Vishakhapatnam Port Road Company Limited	2015-16#	20,00,00,000/-	20000000

Above two investments were made by MoPSW before incorporation of SDCL through Kolkata Port Trust and Vishakhapatnam Port Trust respectively.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The present constitution of the Board of the Company as on the date of this report is provided below:

S. No.	Name	DIN/PAN	Designation
1.	Dr. Sanjeev Ranjan	02977371	Chairman & Director
2.	Shri Dilip Kumar Gupta	08203085	Managing Director & Director (Projects)
3.	Shri Bhushan Kumar	08878688	Director
4.	Shri Vikram Singh	09191857	Director

5.	Dr. Rachana Agarwal	09416234	Independent Director
6.	Shri Yogeshbhai Jentibhai Badani	09416254	Independent Director

12. NUMBER OF MEETINGS OF THE BOARD

Five Board Meetings were held during the financial period ended March 31st, 2021.

The Details of the Board meetings are as under: -

S. No.	Date of Meeting	Total No. of Directors and on Date of Meeting	No. of Directors who attended Meeting
1.	18th June, 2020	Three	Three
2.	28th September, 2020	Four	Four
3.	29th December, 2020	Four	Four
4.	8th March, 2021	Four	Four
5.	17th March, 2021	Four	Three

13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 135(3)(c) of the Companies Act, 2013, your Directors hereby confirm that: -

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year on 31.03.2021 and of the profit and loss of the company for that year;

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. The Directors had prepared the annual accounts on a going concern basis;

e. The Directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are

adequate and were operating effectively – Not applicable as Turnover of the company is less than the threshold limit.

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

Pursuant to the provisions of Section 149 (4) of the Companies Act, 2013 read with Rule 4(1) (i) of Companies (Appointment and Qualification of Directors) Rules 2014, public companies having paid up share capital of INR 10 crore or more should have at least two Directors as independent Directors in their Board.

As per the exemption notification G.S.R 463(E) dated 05th June, 2015 the Independent Directors are require to be appointed by the concerned Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, who in the opinion of the Ministry is a person of integrity and possesses relevant expertise and experience.

The Independent Directors including Women Director have now been appointed by the Ministry of Ports, Shipping & Waterways vide letter no. A-25021/4/2017-SM dated 17th November, 2021 on the Board of the Company and provisions of subsection(6) of section 149 will be followed from FY 2021-22.

15. IN CASE OF A COMPANY COVERED UNDER SUB-SECTION (1) OF SECTION 178, COMPANY'S POLICY ON DIRECTOR' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178

The constitution of Nomination & Remuneration Committee (NRC) requires at least half of the Directors to be Independent Directors. The Independent Directors are appointed by MoPSW vide Letter No. A-25021/4/2017-SM dated 17th November, 2021. NRC has been constituted during 28th Board Meeting.

Also sub section (2), (3) and (4) of section 178 are not applicable to Government company except with regard to appointment of 'senior management' and other employees vide notification dated 05th June, 2015.

16. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

(i) By the statutory auditor in his report;

The comptroller and Auditor General of India has appointed M/s Deepender Anil & Associates, Chartered Accountants, having Registration No. (019666N) as Statutory Auditors of the Company for the financial year 2020-21. The statutory Auditors Report on accounts has following qualifications:

1. Non-compliance of section 149(1): Appointment of Women Director
2. Non-compliance of section 149(4): Appointment of Independent Director

Management Reply:

1. Women Director has now been appointed by MoPSW vide letter no. A-25021/4/2017-SM dated 17th November, 2021.
2. Independent Directors have now been appointed by MoPSW vide letter no. A-25021/4/2017-SM dated 17th November, 2021.

By the Comptroller & Auditor General of India

C&AG report on audited annual accounts of the company is not yet received and will be submitted before the members after receiving the same. However, the same was received on 03.06.2022.

17. SECRETARIAL AUDITORS REPORT

Secretarial Audit report is submitted by M/s VAPN & Associates, Company Secretaries with qualifications. Observations and management replies are given below:

Observations	**Management reply**
The Composition of the Board of Directors is not in compliance with the Section 149(1) and 149(4) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 during the period under review. The	Independent Directors including Women Director has now been appointed by the Board during 27th Board Meeting of the company after approval of MoPSW vide letter no. A-25021/4/2017-SM dated 17th November, 2021.

Company has not appointed independent Directors and Woman Director as required under provision of section 149(1) and 149(4) of the Act, 2013.	
The Composition of the Audit Committee is not in pursuance to the Section 177 (2) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 due to non-appointment of Independent Director on the Board by the Company.	Audit Committee was reconstituted after appointment of Independent Directors in pursuance of section 177(2) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 in 28th Board Meeting held on 28th December, 2021.
During the period under review, the Company has not constituted Nomination and remuneration committee as required to be complied in pursuant to section 178(2) of the Companies Act, 2013.	Nomination and Remuneration Committee (NRC) was not constituted due to nonappointment of Independent Directors and nonappointment of Sr. Management by the company. However, for compliance purposes NRC has been constituted during 28th Board Meeting held on 28th December, 2021.
The Composition of the Corporate Social Responsibility Committee is not in pursuance to Section 135 (1) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2018 due to non-appointment of Independent Director on the Board by the Company.	This observation is due to non-appointment of Independent Directors. Now, due to insertion of subsection (9) in section 135 of the Companies Act, 2013 vide Companies (Amendment) Act, 2020, constitution of CSR Committee is not mandatory if, CSR expenditure is less than Rs. 50 lakhs. The existing CSR

	Committee was dissolve during 28th Board Meeting held on 28th December, 2021 and all functions of the said committee will be discharged by the Board of Directors.
The Company has failed to convene the Annual General Meeting for the year 2020 on due date (included extended date as per general circular issued by the jurisdictional Registrar of Companies). Even, the Company has not made application for compounding or adjudication due to default in compliance of provision of section 92, 96 and 137 of the Act, during the period under review.	Application and petition for compounding are finalised and will be submitted before 31st December, 2021.
No stamping order has been received on application made for stamping on issue of share certificate as the application is under process with state revenue department.	Observation is self-explanatory.
During the period under review, the Company has not obtained the certificate from either the auditors or practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in DPE Guidelines 2010.	Report was not taken from the Statutory Auditors or Company Secretary in Practice, which was covered under Sr. No. 31 of the Director's Report for FY 2019-20. But the same is being incorporated for FY 2020-21.

The company has complied with Secretarial Standard issued by ICSI with respect to Board Meetings and General Meeting.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM AOC-2

The company has not entered into any related party transactions as referred to in section 188(1) of the Companies Act, 2013.

19. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No such material change occurred during the said period.

20. DETAILS OF SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

21. A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY

The business has its own typical risk and the company takes full cognizance of the fact that these risks can have a serious impact on the operations of the Company as well as its profitability. In order to ensure that the impact of risks is minimal, the company lay utmost importance on scanning the external environment regularly.

22. COMPOSITION OF AUDIT COMMITTEE AND REASON FOR NOT ACCEPTING ANY RECOMMENDATION OF THE AUDIT COMMITTEE, IF ANY

The constitution of Audit Committee requires majority of the Directors to be Independent Directors, however, it could not be constituted for want of the Independent Directors.

The committee was reconstituted during 23rd Board Meeting of the company held on 29th December, 2020 as follows:

1. Shri Vikram Singh, Chairman

2. Shri Bhushan Kumar, Member
3. Shri Dilip Kumar Gupta, Member

After appointment of Non-official (Independent) Director, the Audit Committee has been reconstituted during 28th Board Meeting held on 28th December, 2021 as per the Companies Act, 2013 & DPE Guidelines.

23. DETAILS OF POLICY RELATING TO THE REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES FORMULATED BY THE BOARD ON RECOMMENDATION OF NOMINATION AND REMUNERATION COMMITTEE

Not applicable, as sub-section (2), (3) and (4) of section 178 are not applicable to Government Company except with regard to appointment of below Board Level 'senior management' and other employees vide exemption notification dated 05th June, 2015.

24. THE DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR

During the year 2020-21, the Company was required to spend Rs. 15.98 lakhs, being 2% of its average net profits of the last three years, on CSR activities, against which the Company has disbursed a sum of Rs. 15.98 lakhs to PM Cares Fund.

The Board has approved the CSR Policy of the company in sixth Board Meeting of FY 2019-20 held on 12th March, 2020.

The committee was reconstituted during 23rd Board Meeting of the company held on 29th December, 2020 as follows:

1. Shri Vikram Singh, Chairman
2. Shri Bhushan Kumar, Member
3. Shri Dilip Kumar Gupta, Member

In pursuance of subsection (9) of section 135 of the Companies Act, 2013, the CSR Committee was dissolved as the CSR expenditure of the company is less than Rs. 50 lakhs. Further, the CSR Committee will be reconstituted whenever the CSR expenditure cross the threshold limit of CSR expenditure.

25. IN CASE OF A LISTED COMPANY AND EVERY OTHER PUBLIC COMPANY HAVING SUCH PAID-UP SHARE CAPITAL AS MAY BE PRESCRIBED, 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

Clause (p) of sub-section (3) of section 134 shall not be applicable to the company vide Exemption Notification dated 05th June, 2015. Hence the evaluation has to be done by the Ministry in charge as per its own valuation methodology. The Board is not required to do any evaluation.

26. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

Not applicable, as the company has not received any orders passed by the regulators or courts or tribunals during the year impacting the going concern status and the company's operations in future.

27. STATUTORY AUDITORS AND SECRETARIAL AUDITORS

M/s Raj Har Gopal & Company (DE0336), Chartered Accountants, have been appointed as Statutory Auditors by Comptroller & Auditor General of India to audit the accounts of the Company for the year 2021-22.

Secretarial Audit under Section 204 of the Act has been conducted by M/s VAPN & Associates, Company Secretaries.

28. IMPACT OF COVID-19 PANDEMIC

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has adopted measures to curb the spread of infection in order to protect the health of our employees and ensure business continuity with minimal disruption.

There is no significant impact on its financial results.

29. THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

As per Statutory Auditor's opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2021 based on the internal control over financial reporting criteria established by the

Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

30. CORPORATE GOVERNANCE

Your Corporation believes that for a company to be successful, it must maintain global standards of corporate conduct towards all its stakeholders. Your Company believes that the principles of fairness, transparency and accountability are the cornerstones for good governance. It is the Company's endeavour to continue to achieve the highest levels of governance and to benchmark itself with the best governed companies in the similar trade.

31. RIGHT TO INFORMATION ACT, 2005

The Company follows Government instructions issued in pursuance of Right to Information Act, 2005. During the review period, following RTI was received and replied:

Sr. No.	RTI Application No./Name	Ref. No. of MoPSW	Reply sent vide Letter No. & Date
1.	DPENT/R/T/20/00354, dated 14.12.2020 received from Shri. Shyamlal Yadav	F. No. 27(1)/2009-GM(pt) dated 14.01.2021 **Information Sought** You are requested to provide clear copies of biodata of all existing Non -Official Directors (NODs) of various CPSEs. As a matter of privacy, you can hide the address / mobile number of the NODs	SDCL/RTI/2019/26/395 Dated: 19.02.2021 **Information provided** No NOD has been appointed by MoPSW till date. Hence, report may be treated as NIL.

32. INFORMATION UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

No case of sexual harassment at the work place was reported in the review period.

The Company has not constituted Internal Complaint Committee (ICC) as the number of employees are less than ten. It is proposed to nominate the ICC constituted by MoPSW to take care of the complaint pertaining to the company.

33. ACKNOWLEDGEMENT

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to the Company by its customers, vendors, bankers, Government authorities and other associates.

Your Directors acknowledge and appreciate the commitments and dedication of the team at all levels, which are so crucial for the growth of the business of the company.

Your Directors are also grateful for your continued encouragement and support.

By order of the Board
For Sagarmala Development Company Limited

-sd-	-sd-
Dilip Kumar Gupta	Bhushan Kumar
Managing Director	(Director)
DIN: 08203085	DIN: 08878688

Date: 17th December, 2021
Place: New Delhi

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U74999DL2016GOI305194
2	Registration Date	31-08-2016
3	Name of the Company	SAGARMALA DEVELOPMENT COMPANY LIMITED
4	Category/Sub-category of the Company	CENTRAL PUBLIC SECTOR ENTERPRISE
5	Address of the Registered office & contact details	1ST FLOOR, THAPAR HOUSE, GATE NO.-2, 124 JANPATH, NEW DELHI-110001
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	INVESTMENT COMPANY TO INVEST IN EQUITY OF OTHER COMPANIES		
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	INDIA PORTS GLOBAL LIMITED	U61100MH2015GOI261274	SUBSIDIARY	100	2(87)(ii)
2	KRISHNAPATNAM RAILWAY COMPANY LIMITED	U45200TG2006PLC051378	ASSOCIATE	20	2(6)
3	HARIDASPUR PARADIP RAILWAY COMPANY LIMITED	U45203OR2006PLC008959	ASSOCIATE	26.75	2(6)
4	VISHAKHAPATNAM PORT ROAD COMPANY LIMITED	U74899DL2000PLC109014	ASSOCIATE	25.87	2(6)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF		6	6	0.00%		6	6	0.00%	0.00%
b) Central Govt		53,99,99,994	53,99,99,994	100.00%		60,99,99,994	60,99,99,994	100.00%	12.96%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	-	54,00,00,000	54,00,00,000	100.00%	-	61,00,00,000	61,00,00,000	100.00%	12.96%
(2) **Foreign**									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	54,00,00,000	54,00,00,000	100.00%	-	61,00,00,000	61,00,00,000	100.00%	12.96%

B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	54,00,00,000	54,00,00,000	100.00%	-	61,00,00,000	61,00,00,000	100.00%	12.96%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PRESIDENT OF INDIA	53,99,99,994	100.00%		60,99,99,994	100.00%		12.96%
2			0.00%			0.00%		0.00%
3			0.00%			0.00%		0.00%
4			0.00%			0.00%		0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			54,00,00,000	100.00%	54,00,00,000	88.52%
	Changes during the year			7,00,00,000	12.96%	7,00,00,000	11.48%
				-	0.00%	-	0.00%
				-	0.00%	-	0.00%
	At the end of the year			61,00,00,000	112.96%	61,00,00,000	100.00%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders PRESIDENT OF INDIA	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year			54,00,00,000	100.00%	54,00,00,000	88.52%
	Changes during the year			7,00,00,000	12.96%	7,00,00,000	11.48%
	At the end of the year			61,00,00,000	112.96%	61,00,00,000	100.00%
2	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
				-		-	
2	Name						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	SHRI DILIP KUMAR GUPTA		(Rs/Lac)
	Designation	MANAGING DSIRECTOR		
1	Gross salary	35,54,861.00	-	35,54,861.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,92,247.00	-	25,92,247.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,62,614.00	-	9,62,614.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	35,54,861.00	-	35,54,861.00
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
					(Rs/Lac)
1	Independent Directors	-	-	-	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	35,54,861.00
	Overall Ceiling as per the Act	-	-	-	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name			DAL VEER SINGH	(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary	-	-	16,59,638.00	16,59,638.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	13,04,610.00	13,04,610.00
	(b) Value of perquisites u/s 17(2) Income-tax	-	-	3,55,028.00	3,55,028.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	16,59,638.00	16,59,638.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

By Order of the Borad
For Sagarmala Development Company Limited

-sd-
Dilip Kumar Gupta
Managing Director
DIN: 08203085

-sd-
Bhushan Kumar
Director
DIN: 08878688

FORM NO. AOC -2

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1. Shri Dilip Kumar Gupta, Director (Projects) & MD 2. Dr. Sanjeev Ranjan, Chairman & Director 3. Shri Bhushan Kumar, Director 4. Shri Vikram Singh, Director 5. Shri Yogeshbhai Jentibhai Badani, Independent Director 6. Dr. Rachana Agarwal, Independent Director 7. Krishnapatnam Railway Company Limited, Associate Company 8. India Ports Global Limited, Subsidiary Company 9. Calcatta-Haldia Port Road Company Limited, Holding more than 10% of equity shares 10. Haridaspur Paradip Railway Company Limited, Associate Company 11. Visakhapatnam Port Road Company Limited, Associate Company
b)	Nature of contracts/arrangements/transaction	N/A
c)	Duration of the contracts/arrangements/transaction	N/A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
e)	Justification for entering into such contracts or arrangements or transactions'	N/A
f)	Date of approval by the Board	N/A
g)	Amount paid as advances, if any	N/A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N/A

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1. Shri Dilip Kumar Gupta, Director (Projects) & MD 2. Dr. Sanjeev Ranjan, Chairman & Director 3. Shri Bhushan Kumar, Director 4. Shri Vikram Singh, Director 5. Shri Yogeshbhai Jentibhai Badani, Independent Director 6. Dr. Rachana Agarwal, Independent Director 7. Krishnapatnam Railway Company Limited, Associate Company 8. India Ports Global Limited, Subsidiary Company 9. Calcatta-Haldia Port Road Company Limited, Holding more than 10% of equity shares 10. Haridaspur Paradip Railway Company Limited, Associate Company 11. Visakhapatnam Port Road Company Limited, Associate Company
b)	Nature of contracts/arrangements/transaction	No such contract exists except Shri Dilip Kumar Gupta who is functional director of the company and in receipt of salary only.
c)	Duration of the contracts/arrangements/transaction	N/A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
e)	Date of approval by the Board	N/A
f)	Amount paid as advances, if any	N/A

By order of the Board
For Sagarmala Development Company Limited

-sd-
Dilip Kumar Gupta
Managing Director
DIN: 08203085

-sd-
Bhushan Kumar
Director
DIN: 08878688

Date: 28-12-2021
Place: New Delhi

FORM NO. MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
SAGARMALA DEVELOPMENT COMPANY LIMITED
CIN: U74999DL2016GOI305194
Reg. Off.: 1st Floor, Thapar House, Gate No.2,
124 Janpath, New Delhi-110001

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **SAGARMALA DEVELOPMENT COMPANY LIMITED** (hereinafter called **'the Company'**) for the Financial Year ended on 31st March, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31st March, 2021 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of (as amended):

1. The Companies Act, 2013 **('the Act')** and the Rules made there under read with notifications, exemptions and clarifications thereto;

2. The Securities Contracts (Regulation) Act, 1956 **('SCRA')** and the rules made there under;

VAPN & ASSOCIATES FRN P2015DF045500 Company Secretaries

3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings; *[Not Applicable to the Company during the Audit Period under review];*

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- *[Not Applicable to the Company during the Audit Period under review];*

   (b) The Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulations, 2015- *[Not Applicable to the Company during the Audit Period under review];*

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- *[Not Applicable to the Company during the Audit Period under review];*

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- *[Not Applicable to the Company during the Audit Period under review];*

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- *[Not Applicable to the Company during the Audit Period under review];*

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- *[Not Applicable to the Company during the Audit Period under review];*

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- *[Not Applicable to the Company during the Audit Period under review];*

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(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- ***[Not Applicable to the Company during the Audit Period under review];***

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- ***[Not Applicable to the Company during the Audit Period under review];***

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by the Institute of Company Secretaries of India- ***Complied with.***

2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- ***[Not Applicable to the Company during the Audit Period under review].***

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

Sr. No.	Relevant Provision for Compliance Requirement	Observation
1.	Section 149(1) & 149(4) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014	The Composition of the Board of Directors is not in compliance with the Section 149(1) and 149(4) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 during the period under review. The Company has not appointed independent Directors and Woman Director as required under provision of section 149(1) and 149(4) of the Act, 2013
2.	Section 177 (2) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014	The Composition of the Audit Committee is not in pursuance to the Section 177 (2) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 due to non-

VAPN & ASSOCIATES FRN P2015DE045500 Company Secretaries

		appointment of Independent Director on the Board by the Company.
3.	Section 178 (2) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014	During the period under review, the Company has not constituted Nomination and remuneration committee as required to be complied in pursuant to section 178(2) of the Companies Act, 2013.
4.	Section 135 (1) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2018.	The Composition of the Corporate Social Responsibility Committee is not in pursuance to Section 135 (1) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2018 due to non-appointment of Independent Director on the Board by the Company.
5.	Section 92, 96 & 137 of the Companies Act, 2013	The Company has failed to convened the Annual General Meeting for the year 2020 on due date (included extended date as per general circular issued by the jurisdictional Registrar of Companies).
6.	Section 21 of Indian Stamp Act, 1899 along with rule The Indian Stamp (Collection of Stamp Duty through Stock Exchanges, Clearing Corporations and Depositories) Rule, 2019 along with amendment (Amended Rule) come into force from 1st July, 2020.	No stamping order has been received on application made for stamping on issue of share certificate as the application is under process with state revenue department.
7.	As per Clause 8.2.1 of DPE Guideline, the Compliance of conditions of Corporate Governance as stipulated in DPE Guidelines 2010	During the period under review, the Company has not obtained the certificate from either the auditors or practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in DPE Guidelines 2010.

We further report that during the audit period under review:

1. The Board of Directors of the Company is duly constituted with proper balance of executive directors and non-executive directors. The changes in the composition

VAPN & ASSOCIATES FRN P2015DE045500 Company Secretaries

of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Except in case of meetings convened at a shorter notice, adequate Notice was given to all Directors to schedule the Board meetings and the agenda and detailed notes on agenda was sent at least seven days in advance. However, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting and dissent, if any, have been duly incorporated in the Minutes.

4. There seems to be adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

5. No specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company other than mentioned above.

For VAPN & Associates
Practicing Company Secretaries
Firm Registration No.: P2015DE045500
Peer Review Certificate No. 975/2020

VAPN & ASSOCIATES FRN P2015DE045500 Company Secretaries

Prabhakar Kumar
Partner
Membership No.: F5781
CP. No.: 10630
ICSI UDIN: F005781C001871172

Place: New Delhi
Date: 22/12/2021

Note: This report is to be read with letter of even date by the secretarial auditor, which is annexed as **'Annexure A'** and forms an integral part of this report.

'Annexure A'

To,
The Members
SAGARMALA DEVELOPMENT COMPANY LIMITED
CIN: U74999DL2016GOI305194
Reg. Off.: 1st Floor, Thapar House, Gate No.2,
124 Janpath, New Delhi-110001

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain the secretarial records, and to devise proper systems, to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respects to Secretarial Compliances.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. Verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

VAPN & ASSOCIATES FRN P2015DE045500 Company Secretaries

5. Wherever required, we have obtained the Management representations about the compliance of laws, rules and regulations & happening of events etc.

6. Our examination was limited to the verification of procedures on test basis.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For VAPN & Associates
Practicing Company Secretaries
Firm Registration No.: P2015DE045500
Peer Review Certificate No. 975/2020

VAPN & ASSOCIATES FRN P2015DE045500 Company Secretaries

Prabhakar Kumar
Partner
Membership No.: F5781
CP. No.: 10630
ICSI UDIN: F005781C001871172

Place: New Delhi
Date: 22/12/2021

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Sagarmala Development Company Limited is a CPSE under Ministry of Ports, Shipping & Waterways. The Board had approved the CSR Policy of the company during 20th Board Meeting of the company held on 12th March, 2020.
2. The Composition of the CSR Committee during FY 2020-21.
   Shri Vikram Singh, Chairman
   Shri Bhushan Kumar, Member
   Shri Dilip Kumar Gupta, Member
3. Average net profit of the company for last three financial years: **Rs. 7.99 crores (Rupees Seven Crore Ninety Nine Lakhs only)**
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **Rs. 15.98 lakhs (Rupees Fifteen Lakhs Ninety Eight Thousand only)**
5. Details of CSR spent during the financial year.
   a) Total amount to be spent for the financial year; **Rs. 15.98 lakhs**
   b) Amount unspent, if any; **NIL**
   c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or Other (2) Specify the State and district where projects or program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1.	PM CARES FUND	Health	National	Rs. 15.98 lakhs	Rs. 15.98 lakhs	Rs. 15.98 lakhs	Direct

*Give details of implementing agency.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. **Not Applicable**

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

Implementation of CSR activities is in compliance with Companies Act, 2013 & DPE Guidelines and to meet the CSR objectives and policy of the Company.

Managing Director	Chairman, CSR Committee

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE NORMS

(As per Clause 8.2.1 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE)

To,
The Members,
SAGARMALA DEVELOPMENT COMPANY LIMITED
CIN: U74999DL2016GOI305194
Reg. Off.: 1st Floor, Thapar House, Gate No.2,
124 Janpath, New Delhi-110001

We have examined the relevant books, records and statements in connection with compliance of the conditions of Corporate Governance- of **SAGARMALA DEVELOPMENT COMPANY LIMITED** (hereinafter called **'the Company'**) for the financial year ended 31st March, 2021, as stipulated in as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as laid down in the guidelines. Our Certification is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance norms as stipulated in DPE Guid lines, except the following: -

1. The Board of Directors of the Company does not have optimum combination of Functional, Nominee and Independent Directors:

   (a) As per DPE Guidelines, at least one-third of the Board Members should be Independent Directors. The total strength of the Board of the Company is 3 (three) Directors and there is no Independent Directors on the Board.

   (b) The number of Nominee Directors appointed by Government shall be restricted to a maximum of two, however, there are 3 (Three) Nominee Directors have been appointed.

VAPN & ASSOCIATES FRN P2015DE045500 Company Secretaries

2. As per DPE Guidelines, the Audit Committee shall have minimum three Directors as members and two-thirds of the members of audit committee shall be Independent Directors. The Chairman of the Audit Committee shall be an Independent Director. However, on perusal of records of the Company. We observed that the Audit Committee of the Company consist no Independent Director in the Audit Committee. Further, the Chairman of the Audit Committee is not an Independent Director.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of the effectiveness with which the management has conducted the affairs of the Company.

For VAPN & Associates
Practicing Company Secretaries
Firm Registration No.: P2015DE045500
Peer Review Cert. No.: 975/2020

VAPN & ASSOCIATES FRN P2015DE045500 Company Secretaries

Prabhakar Kumar
Partner
Membership No.: F5781
CP. No.: 10630
ICSI UDIN: F005781C001873680

Place: New Delhi
Date: 22nd December, 2021

Independent Auditor's Report

To the Members of **SAGARMALA DEVELOPMENT COMPANY LIMITED**

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **Sagarmala Development Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The company has not complied with provisions of Section 149(1) of the Act regarding appointment of Woman Director and Section 149(4) of the Act regarding appointment of Independent Directors. In the absence of Independent Directors on the board, the constitution of Audit Committee under Section 177 of the Act and CSR Committee under section 135 of the Act is not valid. Therefore, the company has also not complied with the provisions of these sections also. No procedure or policy has also been formulated in this regard. Since the discrepancies are technical in nature, we are unable to quantify the qualifications.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including

Annexures to Board's 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 the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter

We draw attention to Note 5.1 of the financial statements, which describes the investments made by the company in other companies and projects. The company has done the fair valuation of one of the investments made by the company in Calcutta Haldia Port Road Company Limited as per the requirements of applicable Indian Accounting Standards. The impact of fair valuation is duly incorporated in the financial statements. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the 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.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) Being a Government Company pursuant to Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

   g) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of Section 197(16) of the Act is not applicable on the Company.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to Directions issued by CAG of India u/s 143(5) of Companies Act, 2013 refer to our separate report in 'Annexure – C'.

For Deepender Anil & Associates
Chartered Accountants
FRN: 019666N

Abhishek

Deepender Anil & Associates
FRN-019666 N
DELHI
Chartered Accountants

CA. Abhishek Gupta
(Partner)
M.No: 504504

ICAI UDIN: 21504504AAAAHM4772

Date: 10/12/2021
Place: New Delhi

Annexure 'A'

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

i.

a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
c. The company does not hold / possess any immovable property during the year.

ii. The company has not maintained any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

iii. The company has granted loans to one party covered in the register maintained under section 189 of the Companies Act, 2013.

a. The terms and conditions of the grant of such loans are not prejudicial to the company's interest;

b. The terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand with interest.

c. Since the term of arrangement do not stipulate any repayment schedule and the loans are repayable on demand, no question of overdue amounts will arise in respect of the loans granted to the parties listed in the register maintained under section 189 of the Act.

iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

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vii.

a. According to the records of the company, undisputed statutory dues including Provident Fund, Income-tax, Goods and Service tax and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March 2021 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there is no amount payable in respect of Provident Fund, Income-tax, Goods and Service tax and any other statutory dues to the extent applicable, which have not been deposited on account of any disputes.

viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holder, as applicable to the company.

ix. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.

x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.

xiii. According to the information and explanations given to us, all 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 Financial Statements etc. as required by the applicable Indian Accounting Standards. The provisions of section 177 are not applicable to the Company and accordingly the reporting under Clause 3 (xiii) in so far as it relates to Section 177 of the Act is not applicable to the Company.

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Chartered Accountants

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. The company has not entered into non-cash transactions with directors or persons connected with him.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deepender Anil & Associates
Chartered Accountants
FRN: 019666N

Abhishek

Deepender Anil & Associates
FRN-019666 N
DELHI
Chartered Accountants

CA. Abhishek Gupta
(Partner)
M.No: 504504

ICAI UDIN: 21504504AAAAHM4772

Date: 10/12/2021
Place: New Delhi

Annexure 'B'

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 over financial reporting of **Sagarmala Development Company Limited** ("the Company") as of March 31,2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

Deepender Anil & Associates
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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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2021 based on the internal control over

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Chartered Accountants

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deepender Anil & Associates
Chartered Accountants
FRN: 019666N

Abhishek

Deepender Anil & Associates
FRN-019666 N
DELHI
Chartered Accountants

CA. Abhishek Gupta
(Partner)
M.No: 504504

ICAI UDIN: 21504504AAAAHM4772

Date: 10/12/2021
Place: New Delhi

Annexure 'C'

CAG's directions to statutory auditor under section 143(5) of Companies Act, 2013 applicable to the financial statements of Government companies for the year 2020-21 and onwards.

Based on the audit of the accounts of **Sagarmala Development Company Limited**, we give below our comments on Direction's u/s 143(5) of Companies Act, 2013.

1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	No
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	No
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No

For Deepender Anil & Associates
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CA. Abhishek Gupta
(Partner)
M.No: 504504

ICAI UDIN: 21504504AAAAHM4772

Date: 10/12/2021
Place: New Delhi

Independent Auditor's Report

To the Members of **SAGARMALA DEVELOPMENT COMPANY LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Sagarmala Development Company Limited** (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), and its associates which comprise the consolidated Balance Sheet as at 31st March 2021, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to usand based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary and associates, the aforesaid Consolidated financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at March 31, 2021, of its consolidated loss and total comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

Deepender Anil & Associates Chartered Accountants FRN-019666 N DELHI

materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associatesin accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associatesare responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associatesare responsible for assessing the ability of the Group and of its associatesto 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associatesare responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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FRN-019666 N
DELHI
Chartered Accountants

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associatesto 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 consolidated 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 Group and its associatesto cease to continue as a going concern.

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

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associatesto express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

Deepender Anil & Associates
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Other Matters

We did not audit the financial statements / financial information of following entities whose financial statements / financial information reflect the details given below of total assets as at 31 March 2021, total revenues and net cash flows for the year ended on that date, as considered on the Consolidated Financial Statements:

Name of Entity	India Ports Global Limited
Relation	Wholly Owned Subsidiary
Total Assets (Amount in Lacs)	12,289.43
Total Revenues (Amount in Lacs)	915.49
Net Cash Inflow / (Outflows) (Amount in Lacs)	(8,913.70)

Name of Entity	Krishnapatnam Railway Company Limited
Relation	Associate
Total Assets (Amount in Lacs)	2,90,041.99
Total Revenues (Amount in Lacs)	21,813.42
Net Cash Inflow / (Outflows) (Amount in Lacs)	286.16

Name of Entity	Haridaspur Paradip Railway Company Limited
Relation	Associate
Total Assets (Amount in Lacs)	2,67,260.48
Total Revenues (Amount in Lacs)	44,095.06
Net Cash Inflow / (Outflows) (Amount in Lacs)	4,069.33

Name of Entity	Vishakhapatnam Port Road Company Limited
Relation	Associate
Total Assets (Amount in Lacs)	23,294.07
Total Revenues (Amount in Lacs)	3,294.26
Net Cash Inflow / (Outflows) (Amount in Lacs)	359.00

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of Group's share of net profit/loss (including Other Comprehensive Income) and our report in terms of sub-section (3) of Section 143 of the Act, is based solely on the reports of the other auditors. In our opinion and according to the information and explanations given to us by the Holding Company's Management, the group's share of net loss included in the Consolidated Financial Statements are material to the group.

Deepender Anil & Associates
FRN-019666 N
DELHI
Chartered Accountants

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section (2) of Section 164 of the Act, are not applicable to the Holding Company, its subsidiary and its associates.

f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

g) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of Section 197(16) of the Act is not applicable on the Company.

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. There were no pending litigations which would impact the consolidated financial position of the Group and its associates.

Deepender Anil & Associates
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Chartered Accountants

b. The Group and its associatesdid not have any material foreseeable losses on long-term contracts including derivative contracts.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company,its subsidiary companies and associate companiesincorporated in India.

For Deepender Anil & Associates
Chartered Accountants
FRN: 019666N

Abhishek

Deepender Anil & Associates
FRN-019666 N
DELHI
Chartered Accountants

CA. Abhishek Gupta
(Partner)
M.No: 504504

ICAI UDIN: 21504504AAAAHN1424

Date: 10/12/2021
Place: New Delhi

Annexure'A'

Report on Internal Financial Controls with reference to financial statements

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 over financial reporting of **Sagarmala Development Company Limited**("the Company") as of March 31,2021 in conjunction with our audit of the consolidated financial statements of the Company,its subsidiary company and its associateswhich are companies incorporated in India, as of that date. for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary company and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary company and its associates which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Deepender Anil & Associates
FRN-019666 N
DELHI
Chartered Accountants

We believe that the audit evidence we have obtained and the audit evidence obtained by auditors of the subsidiary company and associates which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary company and associates which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary company and associates which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Deepender Anil & Associates
FRN-019666 N
DELHI
Chartered Accountants

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates tosubsidiary company and its associateswhich are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For Deepender Anil & Associates
Chartered Accountants
FRN: 019666N

Abhishek

Deepender Anil & Associates
FRN-019666 N
DELHI
Chartered Accountants

CA. Abhishek Gupta
(Partner)
M.No: 504504

ICAI UDIN: 21504504AAAAHN1424

Date: 10/12/2021
Place: New Delhi

भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय प्रधान निदेशक लेखापरीक्षा
(नौवहन), मुंबई

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
(SHIPPING), MUMBAI.

Sagarmala Development Company Limited
Diary No. 55
Date 09/6/22

गोपनीय/शीघ्र डाक

संख्या: पीडीए(नौवहन)/सीए-II/SDCL/2020-21/ 78

03 JUN 2022

प्रबंध निदेशक,
सागरमाला डेवलपमेंट कंपनी लिमिटेड,
1st फ्लोर, पी टी आई बिल्डिंग,
पार्लियामेंट स्ट्रीट,
नई दिल्ली- 110001

विषय: 31 मार्च 2021 को समाप्त वर्ष हेतू सागरमाला डेवलपमेंट कंपनी लिमिटेड, के कंसोलिडेटेड वित्तीय विवरणो पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ

महोदय,

31 मार्च 2021 को समाप्त वर्ष हेतू सागरमाला डेवलपमेंट कंपनी लिमिटेड के कंसोलिडेटेड वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक के द्वारा दी गई टिप्पणियाँ इस पत्र के साथ संलग्न हैं। टिप्पणीयों को मुद्रित वार्षिक प्रतिवेदन के विषयसूची मे उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये ।

वार्षिक सामान्य बैठक के समापन के पश्चात, वित्तीय विवरणों, सांविधिक लेखापरीक्षक का प्रतिवेदन तथा भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियों को अपनाते हुए वार्षिक सामान्य बैठक की कार्यवाही की एक प्रतिलिपि इस कार्यालय को अविलंब अग्रेषित की जाए । मुद्रित वार्षिक प्रतिवेदन की पाँच प्रतियाँ भी इस कार्यालय को भेजी जायें ।

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें ।

भवदीय,

03/06/2022

(पी.वी. हरि कृष्णा)
प्रधान निदेशक लेखापरीक्षा (नौवहन), मुंबई

CS/CG

संलग्नक: यथोपरि ।

सातवीं मंजिल, आर.टी.आई. बिल्डिंग, प्लॉट नं. सी-2, जी. एन. ब्लॉक, एशियन हार्ट इन्स्टिट्यूट के पीछे, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.
Seventh Floor, R.T.I. Building, Plot No. C-2, G. N. Block, Behind Asian Heart Institute, Bandra-Kurla Complex, Bandra (E). Mumbai - 400 051.
दूरभाष : 26520873 • प्रतिवेदन : 26502843 • फॅक्स : 26527165 • ई-मेल : pdashippingmum@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SAGARMALA DEVELOPMENT COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of Sagarmala Development Company Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 December 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the Consolidated Financial Statements of Sagarmala Development Company Limited for the year ended 31 March 2021 under section 143 (6)(a) read with section 129(4) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

(P. V. Hari Krishna)
Principal Director of Audit (Shipping), Mumbai

Place: Mumbai.
Date: 03 June 2022

भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय प्रधान निदेशक लेखापरीक्षा
(नौवहन), मुंबई

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
(SHIPPING), MUMBAI.

गोपनीय/शीघ्र डाक

शीघ्र-डाक Speed Post

संख्या: पीडीए(नौवहन)/सीए-II/SDCL/2020-21/ 268

02 FEB 2022

प्रबंध निदेशक,
सागरमाला डेवलपमेंट कंपनी लिमिटेड,
~~7वां फ्लोर, पी टी आई बिल्डिंग,~~
पार्लियामेंट स्ट्रीट,
नई दिल्ली- 110001

Sagarmala Development Company Limited
Diary No. 302
Date 15/2/22

विषय: 31 मार्च 2021 को समाप्त वर्ष हेतू सागरमाला डेवलपमेंट कंपनी लिमिटेड, के स्टैंडअलोन वित्तीय विवरणो पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ

महोदय,

31 मार्च 2021 को समाप्त वर्ष हेतू सागरमाला डेवलपमेंट कंपनी लिमिटेड के स्टैंडअलोन वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक के द्वारा दी गई टिप्पणियाँ इस पत्र के साथ संलग्न हैं। टिप्पणीयों को मुद्रित वार्षिक प्रतिवेदन के विषयसूची मे उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये ।

समेकित वित्तीय विवरणों पर टिप्पणी अलग से जारी की जाएगी।

वार्षिक सामान्य बैठक के समापन के पश्चात, वित्तीय विवरणों, सांविधिक लेखापरीक्षक का प्रतिवेदन तथा भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियों को अपनाते हुए वार्षिक सामान्य बैठक की कार्यवाही की एक प्रतिलिपि इस कार्यालय को अविलंब अग्रेषित की जाए । मुद्रित वार्षिक प्रतिवेदन की पाँच प्रतियाँ भी इस कार्यालय को भेजी जायें ।

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें ।

भवदीय,

(पी.वी. हरि कृष्णा)
प्रधान निदेशक लेखापरीक्षा (नौवहन), मुंबई

संलग्नक: यथोपरि ।

सातवीं मंजिल, आर.टी.आई. बिल्डिंग, प्लॉट नं. सी-2, जी. एन. ब्लॉक, एशियन हार्ट इन्स्टिट्यूट के पीछे, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.
Seventh Floor, R.T.I. Building, Plot No. C-2, G. N. Block, Behind Asian Heart Institute, Bandra-Kurla Complex, Bandra (E). Mumbai - 400 051.
प्रशासन : 26520873 • प्रतिवेदन : 26502843 • फॅक्स : 26527165 • ई-मेल : pdashippingmum@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SAGARMALA DEVELOPMENT COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Sagarmala Development Company Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 December 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the Supplementary Audit of the financial statements of Sagarmala Development Company Limited for the year ended 31 March 2021 under Section 143(6)(a) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

(P. V. Hari Krishna)
Principal Director of Audit (Shipping), Mumbai

Place: Mumbai.
Date: 02 February 2022

SAGARMALA DEVELOPMENT COMPANY LIMITED
STANDALONE BALANCE SHEET
As at 31st March 2021

(INR in Lakhs)

	Particulars	Note No.	As at 31st March 2021		As at 31st March 2020	
I.	**ASSETS**					
(1)	**Non-current assets**					
	(a) Property, Plant and Equipment	3	239.00		344.22	
	(b) Other Intangible assets	4	0.19		0.51	
	(c) Financial Assets	5				
	(i) Investments	5.1	50,218.81		46,950.00	
	(ii) Loans	5.2	61.59		58.04	
	(d) Deferred tax assets (net)	12	14.69		26.37	
	(e) Other Non Current Assets	6.0	4.64	**50,538.92**	8.270	**47,387.41**
(2)	**Current assets**					
	(a) Financial Assets	7				
	(i) Cash and cash equivalents	7.1	4,024.14		585.92	
	(ii) Bank balances other than (i) above	7.2	14,295.00		12,900.00	
	(iii) Loans	7.3	60.00		-	
	(iv) Other financial assets	7.4	319.66		360.71	
	(b) Current Tax Assets (Net)	8	43.58		14.30	
	(c) Other current assets	9	3.63		3.63	
				18,746.01		**13,864.56**
	Total Assets			**69,284.93**		**61,251.97**
II.	**EQUITY AND LIABILITIES**					
	Equity					
	(a) Equity Share capital	10	61,000.00		54,000.00	
	(b) Other Equity	11	7,799.19	**68,799.19**	1,678.02	**55,678.02**
	LIABILITIES					
(1)	**Non-current liabilities**					
	(a) Financial Liabilities		-		-	
	(i) Other financial liabilities	13	166.38		282.60	
	(b) Provisions		-		-	
	(c) Deferred tax liabilities (Net)	12	-		-	
	(d) Other non-current liabilities		-	**166.38**	-	**282.60**
(2)	**Current liabilities**					
	(a) Financial Liabilities					
	(i) Other financial liabilities	14	258.19		5,228.08	
	(b) Other current liabilities	15	12.67		21.77	
	(c) Provisions	16	48.50		41.50	
	(d) Current Tax Liabilities (Net)	8	-	**319.36**	-	**5,291.35**
	Total Equity and Liabilities			**69,284.93**		**61,251.97**

The accompanying notes are integral part of financial statements. 1 to 38

As per our Report of even date attached

For Deepender Anil & Associates
Chartered Accountants
FRN: 019666N

Abhishek

CA. Abhishek Gupta
Partner
M.No: 504504

Deepender Anil & Associates ★ Chartered Accountants ★ FRN-019666 N DELHI

For and on behalf of Board of Directors of
SAGARMALA DEVELOPMENT COMPANY LIMITED

SAGARMALA DEVELOPMENT COMPANY LTD. ★ NEW DELHI

Dilip Kumar Gupta
Managing Director
DIN: 08203085

Dilip Kumar Gupta
Chief Financial Officer
PAN: AITPG4066F

Bhushan Kumar
Director
DIN: 08878688

Dal Veer Singh
Company Secretary
PAN: BGIPS5482B

Date 10/12/2021
Place: New Delhi

SAGARMALA DEVELOPMENT COMPANY LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS
For the Year ended 31st March 2021

(INR in Lakhs Except EPS)

	Particulars	Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
I.	Revenue From Operations		-	-
II.	Other Income	17	593.72	1,389.59
III.	**Total Income (I + II)**		**593.72**	**1,389.59**
IV.	**EXPENSES:**			
	Employee benefits expense	18	54.96	48.21
	Finance costs	19	39.57	40.70
	Depreciation and amortization expense	20	106.82	110.04
	Other expenses	21	270.36	295.96
	Total expenses (IV)		**471.71**	**494.91**
V.	**Profit/(loss) before exceptional items and tax (III - IV)**		122.01	894.68
VI.	Exceptional Items		-	-
VII.	**Profit/(Loss) before tax (V - VI)**		**122.01**	**894.68**
VIII.	Tax expense:	23		
	(1) Current tax		25.37	216.69
	- For the year		(3.21)	(2.19)
	- For earlier years (net)		11.68	13.18
	(2) Deferred tax (net)		**33.84**	**227.68**
	Total Tax Expense (VIII)			
IX	**Profit/(loss) for the period from continuing operations (VII - VIII)**		**88.17**	**667.00**
X	Profit/(loss) from discontinued operations		-	-
XI	Tax Expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	**Profit/(loss) for the period (IX+XII)**		**88.17**	**667.00**
XIV	**Other Comprehensive Income**			
	A. Items that will not be reclassified to profit or loss	22	(3,960.00)	-
	(i) Re-measurement of investment in Equity investment		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		**(3,960.00)**	**-**
XV.	**Total Comprehensive Income for the period (XIII +XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)**		**(3,871.83)**	**667.00**
XVI.	Earnings per equity share:			
	(for continuing operation)			
	(1) Basic (Face Value Rs. 10 Per share) (in Rs.)	24	0.01	0.15
	(2) Diluted (Face Value Rs. 10 Per share) (in Rs.)	24	0.01	0.14
XVII.	Earnings per equity share:			
	(for discontinued operation)			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII.	Earnings per equity share:			
	(for discontinued and continuing Operations)			
	(1) Basic (Face Value Rs. 10 Per share) (in Rs.)	24	0.01	0.15
	(2) Diluted (Face Value Rs. 10 Per share) (in Rs.)	24	0.01	0.14

The accompanying notes are integral part of financial statements. 1 to 38

As per our Report of even date attached

For and on behalf of Board of Directors of
SAGARMALA DEVELOPMENT COMPANY LIMITED

For Deepender Anil & Associates
Chartered Accountants
FRN: 019666N

CA. Abhishek Gupta
Partner
M.No: 504504

Date 10/12/2021
Place: New Delhi

Deepender Anil & Associates Chartered Accountants FRN-019666 N DELHI

SAGARMALA DEVELOPMENT COMPANY LTD. NEW DELHI

Dilip Kumar Gupta
Managing Director
DIN: 08203085

Bhushan Kumar
Director
DIN: 08878688

Dilip Kumar Gupta
Chief Financial Officer
PAN: AITPG4066F

Dal Veer Singh
Company Secretary
PAN: BGIPS5482B

SAGARMALA DEVELOPMENT COMPANY LIMITED
Standalone Statement of Cash Flow for the Year ended 31st March 2021

(INR in Lakhs)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		122.01	894.68
Adjustment for :			
Depreciation and amortization		106.82	110.04
Interest Income on FDRs		(589.71)	(1,386.04)
Interest on lease liability		31.73	38.97
Unwinidng of Interest on Security deposits		(3.55)	(3.31)
Amortisation of Prepaid Rent		3.63	3.63
Operating Profit before operating capital changes	1	**-329.0700**	**(342.03)**
Adjustment for :			
Decrease / (Increase) in Non-current Assets		-	(1.51)
Decrease / (Increase) in Other financial assets		-42.35	8.34
Decrease / (Increase) in Other current Assets		-	5.68
Decrease / (Increase) in Loans		-60.00	-
(Decrease) / Increase in Other financial Liability		6.81	4,985.34
(Decrease) / Increase in Other current liabilities		-9.10	(1.21)
(Decrease) / Increase in Short term Provisions		-	-
	2	**-104.64**	**4,996.64**
Cash generated from operation	(1+2)	**(433.71)**	**4,654.61**
Income Tax Paid (Net of Refunds)		(51.43)	(220.93)
NET CASH USED IN OPERATING ACTIVITIES	(A)	**(485.14)**	**4,433.68**
CASH FLOW FROM INVESTING ACTIVITIES			
Interest Received on FDRs		673.11	1,951.29
Decrease / (Increase) in Bank Balance other than those taken to Cash and Cash Equivalent		(1,395.00)	697.33
Investment in Equity shares		(5,228.81)	(33,450.00)
(Purchase) / Sale of PPE (Net)		(1.28)	(1.44)
NET CASH USED IN INVESTING ACTIVITIES	(B)	**(5,951.98)**	**(30,802.82)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	20,000.00
Proceeds from Share aplication money		10,000.00	-
Interest on lease liability		(31.73)	(38.97)
Lease Payment		(92.93)	(89.32)
NET CASH FLOW FROM FINANCING ACTIVITIES	(C)	**9,875.34**	**19,871.71**
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	(A+B+C)	**3,438.22**	**(6,497.43)**
CASH AND CASH EQUIVALENT (OPENING)	(D)	**585.92**	**7,083.35**
Cash		0.04	0.01
On Current Accounts		271.88	7.34
On Sweep Accounts		314.00	76.00
Deposits with original maturity of less than three months		-	7,000.00
CASH AND CASH EQUIVALENT (CLOSING)	(E)	**4,024.14**	**585.92**
Cash		0.25	0.04
On Current Accounts		3,792.89	271.88
On Sweep Accounts		231.00	314.00
Deposits with original maturity of less than three months		-	-
NET DECREASE IN CASH & CASH EQUIVALENT	(E-D)	**3,438.22**	**(6,497.43)**

(i) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement notified by the Ministry of Corporate Affairs, Government of India under the Companies Act, 2013.

(ii) The company adopted the amendment to Ind-AS 7 effective from April 1, 2017, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

(iii) **Reconcilation of Liabilities arising from financing activities**

(INR in Lakhs)

Particulars	Lease Liabilities	Share Capital
	Note 12 & 13	Note 9
Balance at 1st April, 2020	375.53	54000
Cash flows:-		
-Repayment	124.66	-
-Proceeds	-	-
Non-Cash:-		
- Fair Value	31.73	-
-Issued in exchange of Investments		7,000.00
Balance at 31st March, 2021	**282.60**	**61,000.00**

(INR in Lakhs)

Particulars	Lease Liabilities
	Note 12 & 13
Balance at 1st April, 2019	461.21
Cash flows:-	
-Repayment	124.66
-Proceeds	-
Non-Cash:-	
- Fair Value	38.97
-Additions to right of use assets in exchange for increased lease liabilities	-
Balance at 31st March, 2020	**375.53**

(iv) Previous year's figures are reclassified/regrouped to confirm and make them comparable with those of the current year.

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

For Deepender Anil & Associates
Chartered Accountants
FRN: 019666N

Abhishek

CA. Abhishek Gupta
Partner
M.No: 504504

Deepender Anil & Associates Chartered Accountants FRN-019666 N DELHI

Date 10/12/2021
Place: New Delhi

SAGARMALA DEVELOPMENT COMPANY LTD. NEW DELHI

For and on behalf of Board of Directors of
SAGARMALA DEVELOPMENT COMPANY LIMITED

Dilip Kumar Gupta
Managing Director
DIN: 08203085

Dilip Kumar Gupta
Chief Financial Officer
PAN: AITPG4066F

Bhushan Kumar
Director
DIN: 08878688

Dal Veer Singh
Company Secretary
PAN: BGIPS5482B

SAGARMALA DEVELOPMENT COMPANY LIMITED
Standalone Statement of Changes in Equity for the Year ended 31st March 2021

A. Equity Share Capital

(INR in Lakhs)

Particulars	Number of Share in Lakhs	Amount
Balance at 1st April, 2020	**5,400.00**	**54,000.00**
Changes in equity share capital during the year		
Issue of equity shares capital during the year	700.00	7,000.00
Balance at 31st March, 2021	**6,100.00**	**61,000.00**

B. Other Equity

(INR in Lakhs)

Particulars	Reserve and Surplus	Share Application Money Pending Allotment	Equity Instruments through other Comprehensive Income	Total
	Retained Earnings			
Balance at 1st April, 2020	**1,678.02**	-		**1,678.02**
Changes in accounting policy or prior period errors	-	-		-
Restated Balance at 1st April, 2020	**1,678.02**	-		**1,678.02**
Profit for the year	88.17	-		88.17
Other Comprehensive Income for the year (net of income tax)	-	-	(3,960.00)	(3,960.00)
Total Comprehensive Income for the year	**88.17**	-	**(3,960.00)**	**(3,871.83)**
Share Issue Expenses	(7.00)	-		**(7.00)**
Share application money received during the period	-	10,000.00		**10,000.00**
Share issued during the year	-	-		-
Balance at 31st March, 2021	**1,759.19**	**10,000.00**	**(3,960.00)**	**7,799.19**

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

For and on behalf of Board of Directors of
SAGARMALA DEVELOPMENT COMPANY LIMITED

For Deepender Anil & Associates
Chartered Accountants
FRN: 019666N

CA. Abhishek Gupta
Partner
M.No: 504504

Date 10/12/2021
Place: New Delhi

Dilip Kumar Gupta
Managing Director
DIN: 08203085

Bhushan Kumar
Director
DIN: 08878688

Dilip Kumar Gupta
Chief Financial Officer
PAN: AITPG4066F

Dal Veer Singh
Company Secretary
PAN: BGIPS5482B

SAGARMALA DEVELOPMENT COMPANY LIMITED
Standalone Statement of Changes in Equity for the Year ended 31st March 2020

A. Equity Share Capital

(INR in Lakhs)

Particulars	Number of Share in Lakhs	Amount
Balance at 1st April, 2019	3,400.00	34,000.00
Changes in equity share capital during the year		
Issue of equity shares capital during the year	2,000.00	20,000.00
Balance at 31 March, 2020	**5,400.00**	**54,000.00**

B. Other Equity (INR in Lakhs)

Particulars	Reserve and Surplus	Total
	Retained Earnings	
Balance at 1st April, 2019	1,031.02	1,031.02
Changes in accounting policy or prior period errors	-	-
Restated Balance at 1st April, 2019	**1,031.02**	**1,031.02**
Profit for the year	667.00	667.00
Other Comprehensive Income for the year (net of income tax)	-	-
Total Comprehensive Income for the year	**667.00**	**667.00**
Dividends paid	-	-
Share Issue Expenses	-20.00	-20.00
Balance at 31 March, 2020	**1,678.02**	**1,678.02**

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

For and on behalf of Board of Directors of
SAGARMALA DEVELOPMENT COMPANY LIMITED

For Deepender Anil & Associates
Chartered Accountants
FRN: 019666N

CA. Abhishek Gupta
Partner
M.No: 504504

Date 10/12/2021
Place: New Delhi

Deepender Anil & Associates Chartered Accountants FRN-019666 N DELHI

SAGARMALA DEVELOPMENT COMPANY LTD. NEW DELHI

Dilip Kumar Gupta
Managing Director
DIN: 08203085

Dilip Kumar Gupta
Chief Financial Officer
PAN: AITPG4066F

Bhushan Kumar
Director
DIN: 08878688

Dal Veer Singh
Company Secretary
PAN: BGIPS5482B

SAGARMALA DEVELOPMENT COMPANY LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March 2021

1 General Information

Sagarmala Development Company Limited is a public limited company domiciled in India having registered office 124, 1st Floor, Thapar House, Gate No.2, 124, Janpath, New Delhi – 110001 Central Delhi.

The Company was incorporated in India under the provisions of Companies Act, 2013 on 31st August 2016 with the underlying objective of promoting port-led development. Company provides funding window to residual projects which cannot be funded through any other means/mode and assist Project SPVs set up by the Central Ministries/State Governments/Ports/State Maritime Boards etc.

Under the Sagarmala programme, Ministry of Shipping, Government of India, had identified projects for equity participation by the company. Since these projects were undertaken before the incorporation of the company, equity participation was undertaken through respective Ports acting as assignees on behalf of the company. Proportionate shares held by the assignees are to be transferred to the company in due course.

2 Basis of Preparation

2.1 Statement of Compliance

The Standalone financial statements as at and for year ended 31st March, 2021 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

2.2 Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS.

a. Employee defined benefit plan.
b. Certain financial assets and liabilities measured at fair value.

2.3 Use of Estimates and Judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates includes future obligations under employee retirement benefit plans and estimated useful life of property, plant and equipment, Employee benefit expenses, provisions etc. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognized in the period in which the results are known /materialized.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

Property, Plant and Equipment: The useful lives and residual values are reviewed periodically along with depreciation method.
Provisions: Provisions are determined based on estimation to settle the obligation at balance sheet date.
Contingent Liabilities/Assets: Contingent Liabilities/Assets are disclosed based on judgement of management, are reviewed at each balance sheet date and are adjusted to reflect current management estimate.
Recognition of Deferred Tax Assets: Deferred Tax Asset is recognized based on the assessment of probability of future taxable income against which the deferred tax can be utilized.
Leases:- Company uses its judgement in determining whether or not contract contains a lease, extension option of the lease agreement and termination option of the lease agreement will exercised or not. Further company uses estimation in calculating the appropriate discount rate to use and lease term of the leases.

All financial information presented in Indian rupees and all values are rounded to the nearest lakhs except where otherwise stated.

2.4 Statement of Cash Flow

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

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, cash at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand which are considered part of the Company's cash management system.

Amendment to Ind-AS7

Effective April1, 2017, the company has adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

2.5 Functional and Presentation Currency

Deepender Anil & Associates Chartered Accountants FRN-019666 N DELHI

SAGARMALA DEVELOPMENT COMPANY LTD. NEW DELHI

Items Included in the Financial Statements are measured using the currency of primary economic environment in which the Company operates (Functional Currency) The financial statements are presented in Indian Rupee (INR), which is functional as well as presentation currency of company.

a) Transactions in foreign currency are recorded at the rate of exchange prevailing at the time of transaction. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

b) Monetary items denominated in foreign currency are translated using the exchange rate prevailing at the reporting date and the resulting exchange difference is recognized in the Statement of Profit and Loss.

2.6 Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost of asset includes the following:

(a) Cost directly attributable to the acquisition of the assets

(b) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

(c) Cost of replacement, major inspection, repair of significant parts is capitalized if the recognition criteria are met.

(d) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of assets. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

Depreciation

(a) Depreciation on Property, plant and Equipment is provided on Written down value method (WDV) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

(b) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.

(c) Property, Plant and Equipment individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

The estimated useful life of assets for current and comparative period of significant items of property plant and equipment are as follows:

Particulars	Useful Life (Years)
Computers and peripherals	3
Office Equipment's	5
Furniture and fixtures	10

(d) Depreciation methods, useful lives and residual values are reviewed at each reporting date.

2.7 Intangible Assets

An intangible Asset is recognized where it is probable that the future economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliability. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

Amortization

Assets are amortized over their respective estimated useful lives on a straight- line basis from the date that they are available for use.

The estimated useful life of intangibles are as follows:

Particulars	Useful Life (Years)	Generation Mode (Acquired/Self)
Software	3 years	Acquired

Amortization methods, useful lives and residual values are reviewed at each reporting date

2.8 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimates when:-

(a) The Company has a present obligation as a result of a past event,

(b) It is Probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and,

(c) The amount of the obligation can be reliably estimated

Provisions are reviewed at each Balance Sheet date.

Discounting of provision

Where the effect of the time value of money is material the amount of a provision shall be the present value of the expenditure expected to be required to settle the obligation.

Contingent Liabilities are disclosed in either of the following cases:

1. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
2. A reliable estimate of the present obligation cannot be made; or
3. A possible obligation, unless the probability of outflow of resource is remote.

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Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.9 Revenue Recognition

Revenue from contracts with customers is recognized 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.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Other revenue recognition

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable using Effective Interest rate Method.

2.10 Leases

(a) As a lessee

(i) The Company Recognizes a right-of- use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date , plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

(ii) The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use-asset or the end of the lease term. The estimated useful life of the right-to-use asset is determined on the same basis as those of property, plant and equipment. In addition, the right-to-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(iii) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

(iv) The lease liability is measured at amortized cost using the effective interest method, it is remeasured when there is a change in future lease payments from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right -of-use asset, or is recorded in the profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

(v) The Company presents right-of-use asset that do not meet the definition of Investment property in the "Property plant and equipment" and lease liabilities in "other financial liabilities" in the Balance Sheet.

(vi) **Short term Lease and Leases of low value assets**:-The Company has elected not to recognize right-of-use asset and lease liabilities for short term leases that have lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risk and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease. As part of the assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating lease as income on a straight-line basis over the lease term as part of "Other Income".

2.11 Impairment of Assets

In accordance with IND AS-36 Impairment of Assets, the carrying amounts of Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated as the higher of the Fair Value less cost to sell and the value in use. An impairment loss is recognized in Statement of Profit and Loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss

2.12 Borrowing Cost

The company incurred no borrowing cost attributable to the acquisition or construction of any qualifying assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and Loss.

2.13 Employee Benefits

(a) Short Term Employee Benefits:

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All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, and short- term compensated absences, LTC etc. are recognized in the period in which the employee renders the related service.

(b) Post Employee Benefits:

The Company's contribution to Provident Fund is recognized during the period in which the employee renders the related service.
Provision for long term Leave Encashment, Gratuity & Other Retirement Benefits is made based on actuarial valuation at the year-end as per Ind AS-19.
Actuarial gains or losses are recognized in other comprehensive income.

2.14 Taxes

(a) Current Income tax

Tax expense for the year comprises of current Income tax and deferred tax.
Current tax is measured at the amount expected to be paid to the tax authorities using the applicable tax rates.
The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).

(b) Deferred Tax

In accordance with the Indian Accounting Standard (IND-AS 12) "Income Taxes" issued by the Institute of Chartered Accountants of India.
(i) Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

(ii) Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

(iv) Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

2.17 Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue and share split.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.18 Dividend to Equity Shareholders

Dividend paid/payable is recognized in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

2.19 Events Occurring after Balance Sheet Date

Events occurring after Balance Sheet date are considered in the preparation of financial statements in accordance with Ind AS 10 (Contingencies and Events Occurring After Balance Sheet Date).

2.20 Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to 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. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2.21 Financial Instruments

Initial Recognition

Financial Assets and Liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Subsequent Recognition

Financial Assets : are classified in following categories:

a) At Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Fair Value through Other Comprehensive Income

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

c) At Fair Value through Profit and Loss

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

Financial Liabilities : are classified in following categories:

a) Financial liabilities at Amortized Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money etc. are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

b) Financial liabilities at Fair Value through Profit and Loss

The company has not designated any financial liabilities at FVTPL.

De-Recognition

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks s and rewards of the ownership of the asset.

Financial Liability

A financial liability is derecognized 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets:

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows' simplified approach' for recognition of impairment loss allowance on trade receivable. 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

Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss

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3 Property, Plant and Equipment

(INR in Lakhs)

Particulars	Computer & Peripherals	Furniture and Fixtures	Office Equipment	Buildings	Total
Cost or Deemed Cost					
At 1st April 2019	6.38	6.48	10.84	508.40	**532.10**
Additions	0.59	0.11	0.17	-	**0.87**
Disposals/Adjustments	-	-	-	-	-
At 31st March 2020	**6.97**	**6.59**	**11.01**	**508.40**	**532.97**
Additions	0.65	0.51	0.12	-	**1.28**
Disposals					-
At 31st March 2021	**7.62**	**7.10**	**11.13**	**508.40**	**534.25**
Depreciation and impairment					
At 1st April 2019	2.40	0.90	2.17	**73.54**	**79.01**
Depreciation charge for the year	2.59	1.46	4.01	101.68	**109.74**
Impairment	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-
At 31st March 2020	**4.99**	**2.36**	**6.18**	**175.22**	**188.75**
Depreciation charge for the year	1.46	1.17	2.19	101.68	**106.50**
Disposals					-
At 31st March 2021	**6.45**	**3.53**	**8.37**	**276.90**	**295.25**
Net book value					
At 31st March 2021	**1.17**	**3.57**	**2.76**	**231.50**	**239.00**
At 31st March 2020	**1.98**	**4.23**	**4.83**	**333.18**	**344.22**

Buildings includes the amount of right of use assets of building taken on operating leases recognizes as per the requirement of the Ind AS-116.for detail refer note no-31

4 Other Intangible Assets

(INR in Lakhs)

Particulars	Software	Total
At Cost or Deemed cost		
At 1st April 2019	**0.26**	**0.26**
Addition	0.57	**0.57**
Disposal/Adjustments	-	-
At 31st March 2020	**0.83**	**0.83**
Addition during the year	-	-
Adjustment	-	-
At 31st March 2021	**0.83**	**0.83**
Amortization and Impairment		
At 1st April 2019	**0.02**	**0.02**
Amortization for the year	0.30	**0.30**
Impairment		
Disposals/ Adjustments	-	-
At 31st March 2020	**0.32**	**0.32**
Amortization	0.32	**0.32**
Impairment	-	-
At 31st March 2021	**0.64**	**0.64**
Net book value		
At 31st March 2021	**0.19**	**0.19**
At 31st March 2020	**0.51**	**0.51**

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4.1 Amortisation on other intangible assets included in Note 20 Depreciation & Amortisation

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5 Financial Assets - Non-Current

5.1 Investments

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Subsidiary Company		
In Equity Shares- Unquoted-at- cost, fully paid up		
India Port Global Limited		
(10,00,00,000 shares of Rs.10 each)	1,000.00	1,000.00
(Previous Year 10,00,00,000 shares of Rs.10 each)		
Total	**1,000.00**	**1,000.00**
Associate Company		
In Equity Shares- Unquoted-at- cost, fully paid up		
Krishnapatnam Railway Company Limited		
(12,50,00,000 shares of Rs.10 each)	12,500.00	12,500.00
(Previous Year 12,50,00,000 shares of Rs.10 each)		
	12,500.00	**12,500.00**
Associate Company		
In Equity Shares- Unquoted-at- cost, fully paid up		
Haridaspur Paradip Railway Company Limited	33,678.81	28,450.00
(33,67,88,058 shares of Rs.10 each) (Previous Year 28,45,00,000 shares at Rs.10each)		
Total	**33,678.81**	**28,450.00**
Vishakhapatnam Port Road Company Limited	2,000.00	-
(2,00,00,000 shares of Rs.10 each)		
(Previous Year Nil)	**2,000.00**	**-**
Others at Fair Value through Other Comprehensive Income		
Calcutta Haldia Port Road Company Limited	1,040.00	5,000.00
(2,00,00,000 shares of Rs.10 each at premium of Rs. 15)		
(Previous Year 2,00,00,000 shares of Rs.10 each at premium of Rs. 15)		
Total	**1,040.00**	**5,000.00**
Total Non current investments	**50,218.81**	**46,950.00**
Aggregate value of unquoted investments	50,218.81	46,950.00
Aggregate amount of impairment in value of investments	-	-

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5.2 Non-current Loans

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, Considered Good		

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Security Deposits	61.59	58.04
Total	**61.59**	**58.04**

6 **Other Non Current Asset**

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid Rent	4.64	8.27
Total	**4.64**	**8.27**

7 **Financial Assets- Current**

7.1 **Cash and Cash equivalent**

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Cash on hand	0.25	0.04
Balances with banks:		
On Current Accounts	3,792.89	271.88
On Flexi Accounts	231.00	314.00
Deposits with original maturity of less than three months	-	-
Total	**4,024.14**	**585.92**

7.2 **Bank Balances other than cash and cash equivalent**

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deposits with original maturity of more than 3 months but less than 12 months	14,295.00	12,900.00
Total	**14,295.00**	**12,900.00**

7.3 **Loans**

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Considered Good, Unsecured		
Loan to Related Parties		
Indian Port Global Limited (Refer Not 6.3.1)	60.00	-
Total	**60.00**	**-**

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Note 6.3.1 : An amount of INR 60 lakhs has been disbursed to India Port Global Limited, since repayment terms for loan are not finalised therefore this has been classified as current

7.4 **Other financial assets**

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020

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Interest Accrued on FDRs	187.86	271.26
Recoverable from Ministry of Shipping	130.61	88.64
Other Recoverable	1.19	0.81
Total	**319.66**	**360.71**

8 Current tax asset/ (liability)

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Bal		
Assets:		
Advance income tax	28.00	88.00
Income tax refund receivable	0.52	4.39
TDS Recoverable	40.43	138.60
Provision for tax:		
Provision for income tax	(25.37)	(216.69)
Total	**43.58**	**14.30**

9 Other current assets

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid Rent	3.63	3.63
Total	**3.63**	**3.63**

Note 9.1 : It represents unamortised portion of the difference between the fair value of financial assets on initial recognition and expenditure incurred.

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10 Equity Share Capital

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Authorized share capital		
1,00,00,00,000 Equity Shares of Rs. 10 each (31st March, 2020: 1,00,00,00,000 Equity Shares of Rs.10 each)	1,00,000.00	1,00,000.00
	1,00,000.00	**1,00,000.00**
Issued, Subscribed & Fully Paid up Share Capital with voting rights		
61,00,00,000 Equity Shares of Rs. 10 each (31st March, 2020: 54,00,00,000 Equity Shares of Rs.10 each)	61,000.00	54,000.00
	61,000.00	**54,000.00**

(a) Reconciliation of the number of equity shares and share capital

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares (in Lakhs)	Amount (in Lakhs)	No. of shares (in Lakhs)	Amount (in Lakhs)
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	5,400.00	54,000.00	3,400.00	34,000.00
Add: Shares Issued during the year	700.00	7,000.00	2,000.00	20,000.00
Shares bought back during the Year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	**6,100.00**	**61,000.00**	**5,400.00**	**54,000.00**

(b) Terms/Rights attached to Equity Shares

The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.
The company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual general Meeting.

(c) Details of Shares held by each shareholder holding more than 5% shares in the company

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Shares (in Lakhs)	% holding in the class	No. of Shares (in Lakhs)	% holding in the class
President of India	6,100.00	100.00	5,400.00	100.00
Total	**6,100.00**	**100.00**	**5,400.00**	**100.00**

(d) Aggregate no. of equity shares issued as fully paid by way of bonus, other than cash & shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
	No in lakhs	No in lakhs	No in lakhs	No in lakhs	No in lakhs
Equity Shares issued for consideration other than cash	700.00	-	-	-	-
Equity Shares issued as fully paid up bonus shares	-	-	-	-	-
Equity Shares bought back	-	-	-	-	-
Total	**700.00**	-	-	-	-

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11 Other Equity

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Retained Earnings(Refer Note 11.1)	1,759.19	1,678.02
Share Application Money Pending allotment (Refer Note 11.2)	10,000.00	-
FVTOCI Equity Instrument (Refer Note 11.3)	(3,960.00)	-
Total	**7,799.19**	**1,678.02**

11.1 Retained Earnings

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balance as per last financial statement	1,678.02	1,031.02
Add: Net profit for Current Year	88.17	667.00
Add: Other comprehensive income arising from Remeasurements of defined benefit obligation net of income tax	-	-
Less: Share Issue Expenses	(7.00)	(20.00)
Closing Balance	**1,759.19**	**1,678.02**

11.2 Share application monay pending allotment

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Share Application Money Pending Allotment	10,000.00	-
Total	**10,000.00**	**-**

11.3 FVTOCI Equity Instrument

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Change in fair value of FVTOCI equity instrument	(3,960.00)	-
Deferred Taxes	-	-
Total	**(3,960.00)**	**-**

Narue and prupose of Reserve

SMDC has elected to recognize changes in fair value of certain investment in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserves within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognized

12 Deferred Tax

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
A. Deferred Tax Liabilities		
Property, Plant and Equipment	-	-
Other Disallowances		
Total of Deferred Tax Liabilities	-	
B. Deferred Tax Assets		
Preliminary Expenses	-	14.30

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Other Disallowances	-	-
Property, Plant and Equipment	14.69	12.07
Total deferred tax asset	**14.69**	**26.37**
Net Deferred Tax Assets/ (Liability)	**14.69**	**26.37**

12.1 Movement in deferred tax (liability)/ asset

Particulars	Other Disallowances	Preliminary Expenses	Property, Plant and Equipment	Total
Opening balance as at 1st April 2019	0.28	31.61	**7.66**	**39.55**
Charged/(credited) during 2019-20				
To Profit & Loss	(0.28)	(17.31)	4.41	(13.18)
To other comprehensive income				-
Closing balance as at 31st March 2020	**-**	**14.30**	**12.07**	**26.37**
Charged/(credited) during 2020-21				
To Profit & Loss	-	(14.30)	2.62	(11.68)
To other comprehensive income				-
Closing balance as at 31st March 2021	**-**	**-**	**14.69**	**14.69**

13 Financial Liabilities

Other financial liabilities (INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Lease Liabilities	166.38	282.60
Total	**166.38**	**282.60**

14 Financial Liabilities

Other Financial Liability (INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Security Deposits	25.20	25.30
Other Payables	116.77	109.85
Lease Liabilities	116.22	92.93
Payable to Minsitry of Shipping (Refer Note 14.1)	-	5,000.00
Total	**258.19**	**5,228.08**

Note 14.1 : Payable to Ministry of Shipping during previous financial year represent amount payable towards Shares purchased by Ministry of Calcutta Haldia Road Company Limited on behalf of Sagrmala Development Company Limited. This amount has been settled by issue of equity shares of Rs. 5000.00 Lakhs

15 Other current liabilities (INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Statutory dues	12.67	21.77
Total	**12.67**	**21.77**

Statutory dues includes TDS, GST dues and Provident fund payable

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16 Provisions Current

(INR in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for stamp duty	48.50	41.50
Total	**48.50**	**41.50**

(a) Movement in Provisions as at 31st March 2021 (INR in Lakhs)

Particulars	Carrying amount as at beginning of the year	Additional provision made during the year	Amount used/reversed during the year	Carrying amount as on the end of the year
Provision for stamp duty	41.50	7.00	-	48.50
	41.50	**7.00**	**-**	**48.50**

(b) Movement in Provisions as at 31st March 2020 (INR in Lakhs)

Particulars	Carrying amount as at beginning of the year	Additional provision made during the year	Amount used/reversed during the year	Carrying amount as on the end of the year
Provision for stamp duty	21.50	20.00	-	41.50
	21.50	**20.00**	**-**	**41.50**

Deepender Anil & Associates ★ Chartered Accountants ★ FRN-019666 N DELHI

SAGARMALA DEVELOPMENT COMPANY LTD. ★ NEW DELHI

17 Other Income

(INR in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Income from FDRs	589.71	1,386.04
Interest income on Security deposits(Unwinding of Discount)	3.55	3.31
Miscellenous Income	0.46	0.24
Total	**593.72**	**1,389.59**

18 Employee Benefits Expenses

(INR in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and Wages	38.97	38.93
Contribution to Provident fund	1.38	1.29
Staff Welfare Expenses	14.61	7.99
Total	**54.96**	**48.21**

19 Finance Costs

(INR in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest expense for leasing arrangements	31.73	38.97
Bank Charges	0.01	0.05
Other Finance Cost	7.83	1.68
Total	**39.57**	**40.70**

20 Depreciation and Amortization

(INR in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation on Property, Plant and Equipment (refer note 3)	4.82	8.06
Depreciation of right-of-use assets(refer note 3)	101.68	101.68
Amortization of Intangible Assets (refer note 4)	0.32	0.30
Total	**106.82**	**110.04**

21 Other Expenses

(INR in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020

Form No. MGT-11

Proxy form

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

CIN: U74999DL2016GOI305194

Name of the Company: Sagarmala Development Company Limited

Registered office: 1st Floor, Thapar House, Gate No.-2, 124 Janpath, New Delhi-110001

Name of the Member(s):
Registered address:

I/ We being the member of ……, holding…..shares, hereby appoint

1. Name: …….

   Address:

   E-mail Id:

   Signature: …….., or failing him

2. Name: …….

   Address:

   E-mail Id:

   Signature: ……..,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 2nd Annual General Meeting of members of the Company, to be held on 28th November, 2021 at 11:45 am at Secretary Office, Room No. 401, Transport Bhawan, Parliament Street, New

Delhi-110001, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Financial Statement together with reports of Statutory Auditors thereon along with comments of the Comptroller & Auditor General of India for the financial year 2020-21.
2. To declare dividend to equity shareholders, if any.

Signed this……day of ……..2021

Affix Revenue Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.

ATTENDANCE SLIP

5th Annual General Meeting to be held on 28th December, 2021 at 11:45 am at Secretary Office, Room No. 401, Transport Bhawan, Parliament Street, New Delhi-110001.

Ledger Folio No.:…… No. of Share Held:……

Full Name of member(s):……

Full name of Proxy/Authorised Representative:……

I certify that, I am a member/proxy/authorised representative for the member of the company. I/We hereby record my presence at the 5th Annual General Meeting of the company held on Tuesday, the 28th day of December, 2021 at 11:45 am at Secretary Office, Room No. 401, Transport Bhawan, Parliament Street, New Delhi-110001.

……

Name of the member/proxy/authorised representative

(In BLOCK LETTERS)

…….

Signature of the member/proxy/authorised representative

Note: Please fill in this attendance slip and hand it over at the venue.

*Strike out which is not applicable

Sagarmala Development Company Limited

(A Government of India Enterprise)

Registered Office : 1st Floor, Thapar House,

Gate No. – 2, 124 Janpath,

New Delhi - 110001